

GoldCoast Resource Corp.

(formerly Psyence Group Inc.)

CSE Form 2A

Listing Statement

July 29, 2026

Neither the Canadian Securities Exchange nor any other securities regulatory authority has in any way passed upon the merits of the Fundamental Change described in this Listing Statement. This Listing Statement is intended to provide full, true and plain disclosure about the GoldCoast Resource Corp. It is not, and is not to be construed as, a prospectus. It has not been reviewed by a securities regulatory authority and no securities are being sold or qualified for distribution by the filing of this Listing Statement. There are risks involved with an investment in the GoldCoast Resource Corp. as described herein under the heading "*Risk Factors*".

CAUTIONARY NOTE REGARDING FORWARD LOOKING STATEMENTS

The information provided in this listing statement ("**Listing Statement**") may contain "forward-looking statements" or "forward-looking information" within the meaning of applicable Canadian securities legislation (collectively, "**forward-looking statements**"). In addition, GoldCoast Resource Corp. (the "**Company**") may make or approve certain statements in future filings with Canadian securities regulatory authorities, in press releases, or in oral or written presentations by representatives of the Company that are not statements of historical fact and may also constitute forward-looking statements. All statements, other than statements of historical fact, made by the Company that address activities, events or developments that the Company expects or anticipates will or may occur in the future are forward-looking statements, including, but not limited to, statements preceded by, followed by or that include words such as "may", "will", "would", "could", "should", "believes", "estimates", "projects", "potential", "expects", "plans", "intends", "anticipates", "targeted", "continues", "forecasts", "designed", "goal", or the negative of those words or other similar or comparable words. Forward-looking statements in this Listing Statement include, but are not limited to, the intention to complete the listing of the common shares of the Company (the "**Listing**") on the Canadian Securities Exchange and the completion and timing of the Listing; the Company's expectations regarding its revenue, expenses and operations; the Company's anticipated cash needs and its needs for additional financing; the Company's ability to obtain necessary financing; the performance of the Company's business and operations; the Company's reliance on third parties, including the Company's future liquidity and financial capacity; the Company's expected market and the profitability thereof; the Company's intention to grow its business and its operations; expectations with respect to future operating costs; the Company's competitive position in the industry in which the Company operates following the completion of the Transaction (as hereinafter defined); the Company's expectation that available funds will be sufficient to cover its expenses over the next twelve months; the Company's expected business objectives and milestones, and the costs of the foregoing, for the next twelve months; the costs associated with this Listing Statement, the Listing and the Transaction; the Company's ability to obtain additional funds through the sale of equity or debt commitments; the intentions of the board of directors of the Company with respect to executive compensation plans and corporate governance plans described herein; and the impact (including anticipated benefits) of the Transaction on the business and operations, financial condition, access to capital and overall strategy of the Company.

Certain of the forward-looking statements and other information contained in this Listing Statement concerning the Company's industry and the markets in which the Company operates following completion of the Transaction, including the Company's general expectations and market position, market opportunities and market share, is based on estimates prepared by the Company using data from publicly available governmental sources, as well as from market research and industry analysis, and on assumptions based on data and knowledge of this industry which the Company believes to be reasonable. While the Company is not aware of any misstatement regarding any industry or government data presented herein, the Company's industry involves risks and uncertainties that are subject to change based on various factors and the Company has not independently verified such third-party information.

Forward-looking statements are based on certain assumptions and analyses made by the Company in light of the experience and perception of historical trends, current conditions and expected future developments and other factors it believes are appropriate and are subject to risks and uncertainties. In making the forward looking statements included in this Listing Statement, the Company has made various material assumptions, including, but not limited to: (a) obtaining the necessary regulatory approvals; (b) that regulatory requirements will be maintained; (c) general business, economic and political conditions; (d) the Company's ability to successfully execute its plans and intentions; (e) the availability of financing on reasonable terms; (f) the Company's ability to attract and retain skilled staff; (g) market competition; and (h) that good relationships with suppliers and other third parties will be established and/or maintained. Although the Company believes that the assumptions underlying the forward-looking statements are reasonable, they

may prove to be incorrect, and the Company cannot assure that actual results will be consistent with these forward-looking statements. Whether actual results, performance or achievements will conform to the Company's expectations and predictions is subject to a number of known and unknown risks, uncertainties, assumptions and other factors, including, but not limited, those listed under "*Risk Factors*", which include: (a) inherent risks of mineral exploration, development, and operation activities; (b) fluctuations in the price of gold; (c) access to capital/liquidity; (d) negative cash flow from operations; (e) foreign subsidiaries; (f) dependence on the Project; (g) no operating history; (h) risks of operating in Ghana; (i) government policy changes; (j) ownership risks; (k) permitting and licensing risks; (l) artisanal miners; (m) global financial conditions; (n) potential impact of tariffs; (o) rising inflation; (p) international conflict; (q) shareholder activism; (r) no guarantee of positive return on investment; (s) title to mineral properties; (t) potential conflicts of interest; (u) financial risks; (v) permits and licenses; (w) intense competition in mining industry; (x) dilution and future sales of Common Shares; (z) infrastructure; (aa) insurance risks; (bb) environmental matters; (cc) no assurance of profitability; (dd) dependence upon key personnel and other parties; (ee) changes to laws and regulations; (ff) climate change risks; (gg) rights or claims of indigenous groups; (hh) surface rights and access; (ii) litigation risks; (jj) acquisitions and integration; (kk) corruption and bribery laws; (ll) network systems and cyber security; (mm) audit of tax filings; (nn) changes to strategic plans; (oo) damage to the Company's image and reputation; (pp) difficulty in enforcement of judgements, (qq) trading market for Common Shares, and (rr) use of available funds.

This list is not exhaustive of the factors that may affect any of the Company's forward-looking statements. Although the Company believes its expectations are based upon reasonable assumptions and have attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. See "*Risk Factors*" in this Listing Statement for additional risk factors that could cause results to differ materially from forward-looking statements.

Investors are cautioned not to put undue reliance on forward-looking statements. The forward-looking statements contained herein are made as of the date of this Listing Statement and, accordingly, are subject to change after such date. The Company disclaims any intent or obligation to update publicly or otherwise revise any forward-looking statements or the foregoing list of assumptions or factors, whether as a result of new information, future events or otherwise, except in accordance with applicable securities laws. Investors are urged to read the Company's filings with Canadian securities regulatory authorities, which can be viewed online under the Company's profile on SEDAR+ at www.sedarplus.ca.

All of the forward-looking statements contained in this Listing Statement are expressly qualified by the foregoing cautionary statements. Readers should read this entire Listing Statement and consult their own professional advisors to assess the tax, legal, risk factors and other aspects of an investment in the Company.

THIRD-PARTY INFORMATION

This Listing Statement includes third party data which was obtained from various publicly available sources and other sources believed by the Company to be true. Although the Company believes such third-party information to be reliable, the Company has not independently verified any of the information or data from third party sources referred to or included in this Listing Statement, or analyzed or verified the underlying reports relied upon or referred to by such sources, and other assumptions relied upon by such sources. The Company believes that such third-party data is accurate and that its estimates and assumptions are reasonable, but there can be no assurance as to the accuracy or completeness thereof. The accuracy and completeness of the third-party data included in this Listing Statement are not guaranteed and the Company does not make any representations as to the accuracy or completeness of such information. For the avoidance of doubt, nothing stated in this paragraph operates to relieve the Company from liability for any

misrepresentation contained in this Listing Statement under applicable Canadian securities laws. In addition, projections, assumptions and estimates of the Company's future performance and the future performance of the industry and markets in which it operates are necessarily subject to a high degree of uncertainty and risk due to a variety of factors, including those described under the headings "*Cautionary Note Regarding Forward-Looking Statements*" and "*Risk Factors*".

ENFORCEMENT OF JUDGMENTS AGAINST FOREIGN PERSONS OR COMPANIES

Each of Sir Sam Jonah, the non-executive Chairman and a director of the Company, Bobby Banson, a director of the Company and Dr. Robert (Bob) Griffis, the Vice-President – Exploration of the Company, is resident outside of Canada. Each of Sir Sam Jonah, Mr. Banson and Mr. Griffis has appointed Irwin Lowy LLP at Suite 401, 217 Queen Street West, Toronto, Ontario M5V 0R2 as their agent for service of process in Canada. Investors are advised that it may not be possible for investors to enforce judgments obtained in Canada against any person that resides outside of Canada, even if that party has appointed an agent for service of process.

GENERAL MATTERS

Unless otherwise noted or the context indicates otherwise "we", "us", "our", the "Company" refer to the GoldCoast Resource Corp. Certain terms used herein are defined in the "*Glossary of Terms*".

Unless otherwise indicated, references to \$ are to Canadian dollars and USD\$ are to U.S. dollars.

All financial information herein has been presented in Canadian dollars in accordance with FRS® Accounting Standards as issued by the International Accounting Standard Board.

The Company is not offering to sell securities under this Listing Statement. Readers should rely only on the information contained in this Listing Statement. The Company has not authorized any other person to provide you with additional or different information. If anyone provides you with additional or different information or inconsistent information, including information or statements in media articles about the Company, you should not rely on it. The Company is not making an offer to sell or seeking offers to buy its common shares or other securities. The information contained in this Listing Statement is accurate only as of the date of this Listing Statement or any other date specified herein, regardless of the time of delivery of this Listing Statement. Our business, financial condition, results of operations and prospects may have changed since the date of this Listing Statement or any other date specified herein in respect of such information.

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GLOSSARY OF TERMS

The following is a glossary of certain terms used in this Listing Statement. The terms and abbreviations used in the financial statements attached to this Listing Statement as schedules are defined separately and the terms and abbreviations defined below are not used therein, except where otherwise indicated. Words importing the singular, where the context requires, include the plural and vice versa and words importing any gender include all genders.

"2006 Mining Act" means the Minerals and Mining Act 2006 (Act 703) (Ghana).

"Affiliate" means a company that is affiliated with another company as described below. A company is an Affiliate of another company if (a) one of them is the subsidiary of the other, or (b) each of them is controlled by the same Person. A company is "controlled" by a Person if (a) voting securities of the company are held, other than by way of security only, by or for the benefit of that Person, and (b) the voting securities, if voted, entitle the Person to elect a majority of the directors of the company. A Person beneficially owns securities that are beneficially owned by (a) a company controlled by that Person, or (b) an Affiliate of that Person or an Affiliate of any company controlled by that Person.

"Amalco" means the successor corporation formed by the amalgamation of the Target and Subco pursuant to the Amalgamation Agreement.

"Amalgamation Agreement" means the amalgamation agreement dated November 21, 2025, as amended on February 24, 2026 and further amended on April 13, 2026, entered into between the Company, the Target and Subco pursuant to which the Company acquired, by way of a three-cornered amalgamation, all of the issued and outstanding securities of the Target.

"Annual Financial Statements" means the audited consolidated financial statements of the Company for the years ended March 31, 2026, March 31, 2025, and March 31, 2024, together with the notes thereto and the auditor's report thereon.

"April 7 Target Financing" has the meaning ascribed thereto under the heading *"Description of the Business – Three-Year History – The Target"*.

"Assignment Agreement" has the meaning ascribed thereto under the heading *"Description of the Business – Three-Year History – The Target"*.

"Assignors" has the meaning ascribed thereto under the heading *"Description of the Business – Three-Year History – The Target"*.

"Associate", when used to indicate a relationship with a Person, means:

- (a) an issuer of which the Person beneficially owns or controls, directly or indirectly, voting securities entitling him to more than 10% of the voting rights attached to outstanding securities of the issuer;
- (b) any partner of the Person;
- (c) any trust or estate in which the Person has a substantial beneficial interest or in respect of which a Person serves as trustee or in a similar capacity; or
- (d) in the case of a Person who is an individual:
 - i. that Person's spouse or child, or

- ii. any relative of the Person or of his spouse who has the same residence as that Person.

"Audit Committee" means the audit committee of the Company.

"Audit Committee Charter" has the meaning ascribed thereto under the heading "*Audit Committee – Audit Committee Charter*".

"Awards" has the meaning ascribed thereto under the heading "*Options to Purchase Securities*".

"Board" means the board of directors of the Company.

"CEO" means chief executive officer.

"CEO Agreement" has the meaning ascribed thereto under the heading "*Executive Compensation – Employment, Consulting and Management Agreements*".

"CEO Bonus" has the meaning ascribed thereto under the heading "*Executive Compensation – Employment, Consulting and Management Agreements*".

"CEO Consultant" has the meaning ascribed thereto under the heading "*Executive Compensation – Employment, Consulting and Management Agreements*".

"CEO Fees" has the meaning ascribed thereto under the heading "*Executive Compensation – Employment, Consulting and Management Agreements*".

"CEO Notice Period" has the meaning ascribed thereto under the heading "*Executive Compensation – Employment, Consulting and Management Agreements*".

"CEO Termination Pay" has the meaning ascribed thereto under the heading "*Executive Compensation – Employment, Consulting and Management Agreements*".

"CFO" means chief financial officer.

"CFO Agreement" has the meaning ascribed thereto under the heading "*Executive Compensation – Employment, Consulting and Management Agreements*".

"CFO Additional Term" has the meaning ascribed thereto under the heading "*Executive Compensation – Employment, Consulting and Management Agreements*".

"CFO Initial Term" has the meaning ascribed thereto under the heading "*Executive Compensation – Employment, Consulting and Management Agreements*".

"CFO Service Provider" has the meaning ascribed thereto under the heading "*Executive Compensation – Employment, Consulting and Management Agreements*".

"Clarus" means Clarus Securities Inc.

"Closing" means the completion of the Transaction.

"Closing Date" means the date of the Closing, being July 27, 2026.

"Common Shares" means the common shares of the Company.

"**Company**" means GoldCoast Resource Corp., formerly Psyence Group Inc., a company incorporated under the OBCA.

"**Company Consolidation**" means the consolidation of the Common Share on a 6.9565:1 basis effective July 28, 2026 pursuant to which the number of issued and outstanding Common Shares was reduced from 16,129,406 to approximately 2,318,480.

"**Compensation Options**" means the 2,708,989 outstanding compensation options of the Company.

"**Consideration Shares**" means 66,991,790 Common Shares issued to the Target Shareholders pursuant to the terms of the Amalgamation Agreement in exchange for all Target Shares issued and outstanding immediately prior to Closing.

"**Constitution of Ghana**" has the meaning ascribed thereto under the heading "Description of the Business – *General Development of the Business – Foreign Operations*" attached to this Circular.

"**CSE**" means the Canadian Securities Exchange.

"**CSE Policies**" means the rules and policies of the CSE in effect as of the date hereof.

"**Dividend Share Units**" has the meaning ascribed thereto under the heading "*Options to Purchase Securities*".

"**EPA**" means the Ghana Environmental Protection Agency.

"**Escrow Agent**" means Odyssey Trust Company, with its principal offices located in Toronto, Ontario.

"**Escrow Agreement**" means the escrow agreement entered into by the Company, the Escrow Agent and the Principals in compliance with the requirements of the CSE.

"**Escrowed Shares**" has the meaning ascribed thereto under the heading "*Escrowed Securities and Securities Subject to Contractual Restrictions on Transfer – Escrow Agreement*".

"**Exchange Act**" means the United States Securities Exchange Act.

"**Executive Agreement**" has the meaning ascribed thereto under the heading "*Executive Compensation – Employment, Consulting and Management Agreements*".

"**Executive Bonus**" has the meaning ascribed thereto under the heading "*Executive Compensation – Employment, Consulting and Management Agreements*".

"**Executive Consultant**" has the meaning ascribed thereto under the heading "*Executive Compensation – Employment, Consulting and Management Agreements*".

"**Executive Fees**" has the meaning ascribed thereto under the heading "*Executive Compensation – Employment, Consulting and Management Agreements*".

"**Executive Notice Period**" has the meaning ascribed thereto under the heading "*Executive Compensation – Employment, Consulting and Management Agreements*".

"**Executive Termination Pay**" has the meaning ascribed thereto under the heading "*Executive Compensation – Employment, Consulting and Management Agreements*".

"**Form 58-101F2**" has the meaning ascribed thereto under the heading "*Corporate Governance – Board of Directors*".

"**forward-looking statements**" has the meaning ascribed to that term under "*Cautionary Note Regarding Forward Looking Statements*".

"**Fundamental Change**" has the meaning ascribed to that term under the CSE Policies pursuant to Policy 8 – *Fundamental Changes and Changes of Business* of the CSE.

"**GoldCoast Ghana**" means GoldCoast GRC Ghana Ltd. incorporated under the laws of the Republic of Ghana, an indirect subsidiary of the Company.

"**Governance Guidelines**" has the meaning ascribed thereto under the heading "*Corporate Governance*".

"**GoldCoast Loan**" has the meaning ascribed thereto under the heading "*Consolidated Capitalization*".

"**GoldCoast Loan Agreement**" has the meaning ascribed thereto under the heading "*Consolidated Capitalization*".

"**IFRS**" means the International Financial Reporting Standards as issued by the International Accounting Standards Board and interpretations of the International Financial Reporting Interpretation Committee.

"**Interim Financial Statements**" means the condensed consolidated interim financial statements of the Company for the three and nine months ended December 31, 2025 and 2024.

"**Listing**" means the listing of the Common Shares on the CSE following the completion of the Transaction which constitutes a Fundamental Change.

"**Listing Date**" means the date on which the Common Shares are listed for trading on the CSE.

"**Listing Statement**" means this CSE Form 2A – *Listing Statement*.

"**LTIP**" means the Company's omnibus long term equity incentive plan approved by the Shareholders on May 19, 2026.

"**March 16 Target Financing**" has the meaning ascribed thereto under the heading "*Description of the Business – Three-Year History – The Target*".

"**March 20 Target Financing**" has the meaning ascribed thereto under the heading "*Description of the Business – Three-Year History – The Target*".

"**Marine Mining**" has the meaning ascribed thereto under the heading "*Description of the Business – The Project – Technical Report – Historical Background*".

"**MD&A**" means Management Discussion and Analysis.

"**Minerals Commission of Ghana**" means the Minerals Commission of the Government of Ghana.

"**Mining Lease**" has the meaning ascribed thereto under the heading "*Description of the Business – The Project – Technical Report – Property Description and Location – Mineral Rights in Ghana – Mining Lease*".

"**Minister**" means the Minister responsible for Lands and Natural Resources of Ghana.

"NEO" means, with respect to the Company each of the following individuals:

- (a) a CEO;
- (b) a CFO;
- (c) each of the three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000, as determined in accordance with subsection 1.3(6) of National Instrument 51-102, for that financial year; and
- (d) each individual who would be an NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the company, nor acting in a similar capacity, at the end of that financial year.

"NI 43-101" means National Instrument 43-101 – *Standards of Disclosure for Mineral Projects*.

"NI 52-109" means National Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings*.

"NI 52-110" means National Instrument 52-110 – *Audit Committees*.

"NP 46-201" means National Policy 46-201 – *Escrow for Initial Public Offerings*.

"OBCA" means the *Business Corporations Act* (Ontario).

"Options" has the meaning ascribed thereto under the heading "*Options to Purchase Securities*".

"Person" includes:

- (a) any corporation, company, limited liability company, partnership, governmental authority, joint venture, fund, trust, association, syndicate, organization, or other entity or group of persons, whether incorporated or not, and
- (b) any individual, including in his or her capacity as trustee, executor, administrator, or other legally appointed representative.

"Principals" has the meaning ascribed thereto under the heading "*Escrowed Securities and Securities Subject to Contractual Restrictions on Transfer – Escrow Agreement*".

"Project" has the meaning ascribed thereto under the heading "*Summary of Listing Statement – The Target*".

"Project Reconnaissance Licences" has the meaning ascribed thereto under the heading "*Summary of Listing Statement – The Target*".

"Psyence" means the Company prior to the completion of the Transaction.

"Psyence Biomedical" means Psyence Biomedical Ltd., a subsidiary of the Company until April 30, 2025 when the Company disposed of its interest in Psyence Biomedical.

"Psyence LOI" has the meaning ascribed thereto under the heading "*Description of the Business – General Development of the Business – The Transaction*".

"PSUs" has the meaning ascribed thereto under the heading "*Options to Purchase Securities*".

"**Qualified Person**" has the meaning ascribed thereto in NI-43-101.

"RSUs" has the meaning ascribed thereto under the heading "*Options to Purchase Securities*".

"SEDAR+" means the System for Electronic Document Analysis and Retrieval+.

"Shareholders" means holders of the Common Shares.

"**Share Unit Vesting Determination Date**" has the meaning ascribed thereto under the heading "*Options to Purchase Securities*".

"**Share Unit Settlement Date**" has the meaning ascribed thereto under the heading "*Options to Purchase Securities*".

"**Share Unit Settlement Notice**" has the meaning ascribed thereto under the heading "*Options to Purchase Securities*".

"**Share Units**" has the meaning ascribed thereto under the heading "*Options to Purchase Securities*".

"**Subco**" means Psyence Therapeutics Corp., a wholly owned subsidiary of Psyence, incorporated under the OBCA.

"**Target**" means GoldCoast Resource Corp. prior to the completion of the Transaction; a company incorporated under the OBCA.

"**Target Compensation Options**" means the 2,708,989 compensation options to purchase Target Shares outstanding prior to the Closing.

"**Target Consolidation**" means the consolidation of the Target Share on a 2.6264 basis effective October 1, 2025, pursuant to which the number of issued and outstanding Target Shares was reduced from 131,319,298 Target Shares to 49,999,999 Target Shares.

"**Target Final Private Placement**" means the private placement of securities of the Target completed on June 26, 2026 pursuant to which the Target issued 210,000 Target Shares at a price of \$1.00 per Target Share for aggregate gross proceeds of \$210,000.

"**Target Options**" means the 4,180,563 options to purchase Target Shares outstanding prior to the Closing.

"**Target Shares**" means 66,991,790 common shares of the Target, representing all of the issued and outstanding common shares of the Target immediately prior to Closing, as held by the Target Shareholders.

"**Target Shareholders**" means the holders of the Target's Shares.

"**Target Warrants**" means the 99,999 common share purchase warrants of the Target outstanding prior to the Closing.

"**Technical Report**" means the technical report entitled "*NI 43-101 Technical Report – Offshore Continental Shelf Gold & Heavy Mineral Project, Republic of Ghana*" dated July 27, 2026 and effective as of June 19, 2026 prepared for GoldCoast Ghana by the Technical Report Author of Torkornoo and Associates Limited (TAL) based in Accra, Ghana.

"Technical Report Author" Samuel Torkornoo, a Qualified Person, the author of the Technical Report.

"Transaction" means the acquisition by the Company of all of the issued and outstanding Target Shares from the Target Shareholders, the concurrent amalgamation of the Target and Subco, and other transactions contemplated in the Amalgamation Agreement, which constitute a "Fundamental Change" transaction for Psyence pursuant to CSE Policies.

"United States" or **"U.S."** means the United States of America, its territories and possessions, any state of the United States and the District of Columbia.

"Warrants" means the 99,999 outstanding warrants to purchase Common Share

SUMMARY OF LISTING STATEMENT

The following is a summary of the principal features of this Listing Statement and should be read together with the more detailed information and financial data and statements contained elsewhere in this Listing Statement.

This Listing Statement has been prepared with respect to the Company in connection with the completion of the Transaction with the Target and the Target Shareholders.

Psyence

Immediately prior to the completion of the Transaction, Psyence, was a publicly listed life-sciences/biotechnology issuer, with a strategic focus on developing nature-derived psilocybin products for clinical research and mental-health applications.

Psyence was incorporated under the OBCA on March 26, 1994 and, prior to the completion of the Transaction, the head office and the registered and records office of Psyence was located at Penthouse Suite 1300, 121 Richmond St. West, Toronto, Ontario M5H 2K1.

For further details, see *"Corporate Structure – Name, Address and Incorporation – Psyence"* and *"Description of the Business – General Development of the Business – Overview"*.

The Target

Immediately prior to completion of the Transaction, the Target was a private mineral exploration issuer focused on offshore mineral reconnaissance activities in the Republic of Ghana. The key assets of the Target were ten reconnaissance (exploration) licences issued on February 9, 2026 (the **"Project Reconnaissance Licences"**) to conduct shallow-water mineral exploration in a designated near-shore marine tract along the offshore of the Republic of Ghana, West Africa in the Atlantic Ocean, as described in the Technical Report (the **"Project"**). The Project was the only material property interest of the Target. The Project Reconnaissance Licences provide the Target with the exclusive right to conduct exploration activities within the Project area on the coastal area of Ghana.

The Target was incorporated under the OBCA on March 7, 2025. Immediately prior to the completion of the Transaction, the registered and head office of the Target was located at Suite 5600, 100 King Street West, Toronto, Ontario M5X 1C9.

For further details, see *"Corporate Structure – Name, Address and Incorporation – The Target"* and *"Description of the Business – General Development of the Business – Overview"*.

The Company

Following completion of the Transaction, the business of the Target became the core business of the Company.

The registered and head office of the Company is located at Suite 5600, 100 King Street West, Toronto, Ontario M5X 1C9.

The Transaction

The Company, Subco and the Target entered into the Amalgamation Agreement on November 21, 2025, pursuant to which the Company acquired, by way of a three-cornered amalgamation, all of the issued and outstanding Target Shares held by the Target Shareholders in exchange for the Consideration Shares. The Transaction was completed on July 27, 2026, and it is subject to the final approval of the CSE.

The Transaction constitutes a Fundamental Change under the CSE Policies. The Company is providing this Listing Statement in order to requalify for listing on the CSE following the completion of the Transaction. The Transaction has been approved by the Shareholders and by the Target Shareholders. For further details, see "*Description of the Business – General Development of the Business – The Transaction*".

Officers and Directors

Following the completion of the Transaction, the Board and management of the Company consist of:

- Michael Nikiforuk – CEO and Director
- Winfield Ding – CFO
- Tom Griffis – Executive Director and Director
- Sir Sam Jonah – Chairman
- Bobby Banson – Director
- Chris Irwin – Corporate Secretary
- Dr. Robert (Bob) Griffis - Vice President – Exploration

For further details, see "*Directors and Executive Officers*".

Use of Proceeds

The Company did not conduct any financings in connection with the Transaction, and therefore no proceeds were realized in connection with the Transaction.

Since entering into the Psyence LOI, the Target completed a number of private placements, including the March 16 Target Financing, the March 20 Target Financing, the April 17 Target Financing and the Target Final Private Placement for gross proceeds of \$10,950,158.

All expenses incurred in connection with the preparation and filing of this Listing Statement will be paid by the Company.

For further details, see "*Use of Proceeds*".

Total Funds Available

As of the Closing Date, the Company has available working capital of \$6,061,839:

Sources of Available Funds	Amount (\$)
Estimated consolidated working capital of the Company as at June 30, 2026	661,839
Estimated consolidated working capital of the Target as at June 30, 2026	5,400,000
Total Available Working Capital	6,061,839

For further information, see "*Use of Proceeds – Funds Available*".

Use of Available Funds

The Company commenced the Phase I exploration program contained in the Technical Report in February of 2026 (See "*Description of Business – The Project – Recommendations and Budget*"). To date, the Company has incurred \$2,832,000 of expenditures with approximately \$1,974,647 of expenditures remaining to be incurred to complete the Phase I. It is expected that the Company will use the available funds as described below. However, there may be circumstances where a reallocation of funds may be necessary. The actual amount that the Company spends in connection with each of the intended uses of available funds will depend on a number of factors, including those referred to under "*Risk Factors*". The following table sets out the intended use of available funds over the next 12-month period:

Item	Amount Allocated (US\$)	Amount Allocated (CAD\$) ⁽¹⁾	Amount Spent (CAD\$)	Balance Outstanding (CAD\$)
Reconnaissance survey on the Project ("Phase I")				
Survey boats	372,000	527,161	269,000	258,161
Airborne Geophysics (for 45,000 line-km)	1,026,726	1,454,973	741,000	713,973
Marine Geophysics (for 1,000 sq km)	320,000	453,472	310,000	143,472
Data auditing and interpretation	60,000	85,026	221,000	Nil
Sampling	120,000	170,052	14,000	156,052
Environmental impact studies	100,000	141,710	82,000	59,710
2 Expatriate Geologists	72,000	102,031	103,000	Nil
3 Local Geologists	120,000	170,052	181,000	Nil
Supporting Staff	80,000	113,368	159,000	Nil
Transportation	18,000	25,508	122,000	Nil
Field Supplied and Lab	60,000	85,026	185,000	Nil
Camp Expenses (accommodation/meals, utilities, etc)	72,000	102,031	7,000	95,031
Compensation and Traditional Rates	72,000	102,031	Nil	102,031
Vehicles	120,000	170,052	278,000	Nil
Medical	18,000	25,508	3,000	22,508
Computer Infrastructure and Software	150,000	212,565	19,000	193,565
Permits & Licenses – Reconnaissance	100,000	141,710	138,000	3,710
Market Survey	15,000	21,257	Nil	21,257
Phase I Subtotal⁽²⁾	2,895,726	4,103,533	2,832,000	1,769,470
Contingency (5%)	144,786	205,176	-	205,176
Total Phase I	3,040,506	4,308,701	2,832,000	1,974,647
Estimated Expenses of the Transaction	-	300,000	-	300,000
General & administrative expenses ⁽³⁾	-	809,260	-	809,260
Subtotal - Phase I, G&A and Misc.		5,417,961		3,083,907
Unallocated Funds	-	-	-	2,977,932
Total Use of Available Funds	-	-	-	6,061,839

Notes:

- (1) Based on the Bank of Canada exchange rate of US\$1.00 = \$1.4171 on June 19, 2026.
- (2) As of the date hereof, the Target has completed approximately \$2,832,000 of the recommendations in Phase I on the Project.
- (3) Includes management fees of approximately US\$412,000, and other general and administrative costs of US\$174,420.

For further information, see "Use of Proceeds – Use of Available Funds".

Listing

The Company has applied for the Listing on the CSE in connection with the completion of the Transaction. As of the date of this Listing Statement, the Company has received conditional approval from the CSE for such Listing. The Listing will be subject to the Company fulfilling all of the listing requirements of the CSE, including meeting all minimum listing requirements, which cannot be guaranteed.

For further details, "Description of the Business – General Development of the Business – Listing".

Risk Factors

An investment in the Company should be considered highly speculative and investors may incur a loss. The Company is subject to several risk factors, including the following:

- inherent risks of mineral exploration, development, and operation activities;
- fluctuations in the price of gold;
- access to capital/liquidity;
- trading market for Common Shares;
- negative cash flow from operations;
- foreign subsidiaries;
- dependence on the project;
- no operating history;
- use of available funds;
- risks of operating in Ghana;
- government policy changes;
- ownership risks;
- permitting and licensing risks;
- artisanal miners;
- global financial conditions;
- potential impact of tariffs;
- rising inflation;
- international conflict;
- shareholder activism;
- no guarantee of positive return on investment;
- title to mineral properties;
- potential conflicts of interest;
- financial risks;
- permits and licenses;
- intense competition in mining industry;
- dilution and future sales of Common Shares;
- infrastructure;
- insurance risks;
- environmental matters;
- no assurance of profitability;
- dependence upon key personnel and other parties;
- changes to laws and regulations;
- climate change risks;
- rights or claims of indigenous groups;
- surface rights and access;
- litigation risks;
- acquisitions and integration;
- corruption and bribery laws;
- network systems and cyber security;
- audit of tax filings;
- changes to strategic plans;
- damage to the Company's image and reputation; and
- difficulty in enforcement of judgements.

For further details on each of the above and other risk factors, see "*Risk Factors*".

Summary of Selected Financial Information

The Company prior to the Closing

The following tables set forth selected historical financial information of the Company as extracted from the Annual Financial Statements and the Interim Financial Statements, and should be read in conjunction with the Annual Financial Statements, the Interim Financial Statements and the Company's MD&As for the year ended March 31, 2026 and interim period ended December 31, 2025, all of which are attached to this Listing Statement as schedule A and are available under the Company's profile on SEDAR+ at www.sedarplus.ca.

Description	Interim Period Ended December 31, 2025 (\$) (Unaudited)	Year Ended March 31, 2026 (\$) (Audited)	Year Ended March 31, 2025 (\$) (Audited)	Year Ended March 31, 2024 (\$) (Audited)
Revenue	nil	nil	nil	nil
Net comprehensive income (loss)	(1,230,646)	(1,568,685) ⁽¹⁾	582,908 ⁽¹⁾	(69,252,807) ⁽¹⁾
Net income (Loss) per share – basic and diluted	(0.08)	(0.09)	(0.00)	(7.81)
Total assets	879,664	816,790	10,604,851	3,272,469
Total long-term financial liabilities	nil	nil	nil	33,273
Cash dividends declared per share	nil	nil	nil	nil

Notes:

- (1) The Company's audited consolidated financial statements for the years ended March 31, 2026 and March 31, 2025 do not present discontinued operations or a subtotal for "income (loss) from continuing operations." Accordingly, net income (loss) as presented above represents income (loss) from continuing operations for each of the periods shown.
- (2) The Company did not have any long-term financial liabilities as at March 31, 2026. All liabilities reported in the audited financial statements for those periods were current in nature.

For further details, see "Schedule A – The Company's Financial Statements and MD&A".

The Target

The following table sets forth selected historical financial information of the Target for the period indicated, which information has been derived from the financial statements of the Target and the notes thereto included as part of schedule B in this Listing Statement. Shareholders should read the following information in conjunction with those financial statements of the Target and related notes thereto, along with the related MD&A which is included as part of schedule B in this Listing Statement for complete financial information relating to the Target. The audited consolidated financial information of the Target is as at, and for the period from March 7, 2025 (date of incorporation) to March 31, 2026, and is presented in accordance with IFRS.

	For the period from March 7, 2025 to March 31, 2026 (audited) Canadian \$
Operations	
Total revenue	nil
Loss before other expenses	(3,369,699)
Net loss	(3,370,031)
Total Comprehensive Loss	(3,375,383)
Net loss per share – (basic and diluted)	(0.07)
Balance Sheet	
Total assets	7,938,999
Total liabilities	664,197
Deficit	(3,307,821)
Total Equity	7,274,802

For further details, see "*Schedule B – The Target's Financial Statements and MD&A*".

Selected Pro Forma Financial Information

The table below contains certain unaudited *pro forma* consolidated financial information for the Company as at and for the fiscal period ended March 31, 2026 and gives effect to the completion of the Transaction as if it had occurred as of March 31, 2026. This information should be read together with the *pro forma* financial statements of the Company, attached as schedule C, along with the Company's Annual Financial Statements set out as part of schedule A attached to this Listing Statement and the Target's financial statements set out as part of schedule B attached to this Listing Statement.

Consolidated <i>pro-forma</i>	As at March 31, 2026 (unaudited)
Revenue	nil
Net income (loss)	(\$8,783,754)
Total assets	\$8,361,551
Total long-term financial liabilities	\$15,390

For further details, see "*Schedule C – Pro Forma Financial Statements of the Company*".

CORPORATE STRUCTURE

Name, Address and Incorporation

The Company

The Company was formed by the amalgamation of Eli Eco Logic Inc. and North Hawk Resources Ltd. under the OBCA on March 26, 1994 and continued as "Eli Eco Logic Inc.". The Company changed its name to "Global Development Resources Inc." on March 11, 2005, to "GDV Resources Inc." on December 9, 2010, to "Cardinal Capital Partners Inc." on August 15, 2013, and to "Psyence Group Inc." on January 19, 2021. The Company subsequently amalgamated with Psyence Biomed Corp. under the OBCA on January 16, 2024 and continued as "Psyence Group Inc.".

The Company is a reporting issuer in the provinces of British Columbia, Alberta, Ontario and Nova Scotia.

In connection with the completion of the Transaction, the Company changed its name to "GoldCoast Resource Corp." on July 28, 2026.

On January 27, 2021, the Common Shares commenced trading on the CSE under the symbol "PSYG". Trading in the Common Shares was halted effective November 24, 2025 pending receipt and review by the CSE of documentation regarding the Transaction. The Transaction is a Fundamental Change of the Company under CSE Policies, following which the Company is expected to remain listed on the CSE.

The registered and head office of the Company (formerly, Psyence Group Inc.) is located at Suite 5600, 100 King Street West, Toronto, Ontario M5X 1C9.

The Target

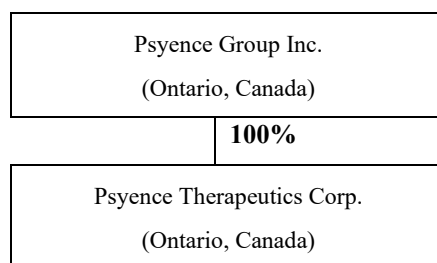
Prior to the completion of the Transaction, the Target was a private company incorporated under the provisions of the OBCA on March 7, 2025 under the name "GoldCoast Resource Corp." with authorized capital of an unlimited number of Target Shares without par value.

The registered and head office of the Target was located at Suite 5600, 100 King Street West, Toronto, Ontario M5X 1C9.

Intercorporate Relationships

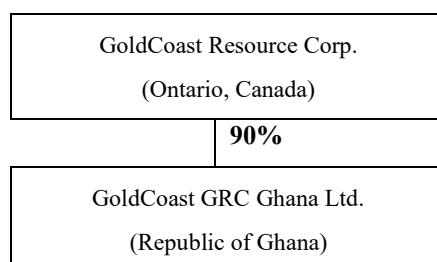
Psyence

Prior to the completion of the Transaction, Psyence had one wholly-owned subsidiary, Subco.



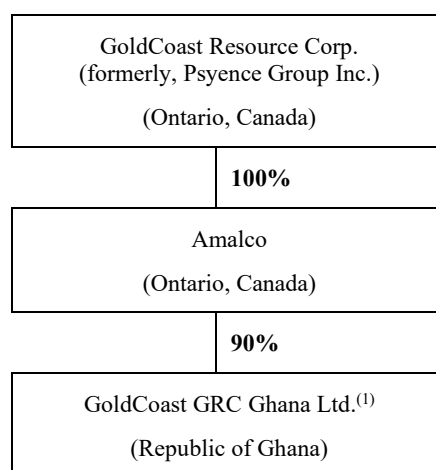
The Target

Prior to the completion of the Transaction, the Target had one subsidiary, GoldCoast Ghana. The Target held a 90% interest in GoldCoast Ghana, with Sir Sam Jonah, a director of the Target, holding the remaining 10% interest.



The Company

The following chart sets forth the corporate structure of the Company following completion of the Transaction:



Note:

(1) Sir Sam Jonah, the Chairman of the Board, holds the remaining 10% interest in GoldCoast Ghana.

DESCRIPTION OF THE BUSINESS

General Development of the Business

Overview

Prior to the completion of the Transaction, the Company, as Psyence, was a publicly listed life-sciences/biotechnology company, with a focus on developing nature-derived psilocybin products for clinical research and mental-health applications.

The Board conducted a strategic review of the Company's historical operating results, ongoing capital investment requirements and strategic alternatives, as well as prevailing market conditions affecting early-stage life sciences issuers. The Board concluded that the Company's existing life-sciences/biotechnology business was subject to regulatory, financing and market-adoption uncertainty. The Board evaluated a number of potential strategic opportunities, including a change of business, and determined that a transaction involving the Target presents an opportunity for the Company to pursue a new line of business with a significant asset focus and an identifiable development plan, while providing the Company with access to a management team with experience in the natural resource sector. The Board determined that the completion of a transaction involving the Target would reposition the Company as a mineral exploration issuer with a different risk profile and capital markets strategy.

Prior to the completion of the Transaction, the Target was a private company incorporated by a team of mining professionals focused on near-shore mineral exploration off the south coast of Ghana, using marine dredge-mining technology. The key assets of the Target were the Project Reconnaissance Licences to conduct shallow-water mineral exploration on the Project, as described in the Technical Report. The Project was the only material property interest of the Target prior to the completion of the Transaction and will be the only material property interest of the Company. The following table sets out the Project Reconnaissance Licences:

SN	Licence Name	File No.	Mincom Lin No.	Size (km ²)
1	SL-A: Half-Assini	APL-R-183	JS/1377226-26	1038.35
2	SL-B: Twenene	APL-R-180	JS/1377222-26	974.62
3	SL-C: Esiamia	APL-R-177	JS/1377228-26	1027.85
4	SL-D: Atwiwa	APL-R-176	JS/1377224-26	929.97
5	SL-E: Takoradi	APL-R-178	JS/1377229-26	928.38
6	SL-F: Kafodzidzi	APL-R-185	JS/1377227-26	1042.87
7	SL-G: Elmina	APL-R-181	JS/1377221-26	1049.49
8	SL-H: Morre	APL-R-179	JS/1377223-26	1042.69
9	SL-I: Nakwa	APL-R-182	JS/1377230-26	927.08
10	SL-J: Apam	APL-R-184	JS/1377225-26	913.55

The Project Reconnaissance Licences will provide the Company with the exclusive right to conduct shallow-water mineral exploration activities within the Project area on the coastal area of Ghana.

The Transaction

On August 22, 2025, the Company announced that it had entered into a non-binding letter of intent (the "**Psyence LOI**") to acquire all of the issued and outstanding securities, and any convertible securities, of the Target. The Psyence LOI contemplated a three-cornered amalgamation under the OBCA, subject to definitive documentation, due diligence, and customary approvals.

On November 21, 2025, the Company, Target and Subco entered into the Amalgamation Agreement, formalizing the terms of the Transaction. The Amalgamation Agreement was amended on February 24, 2026, and further amended on April 13, 2026, in order to, among other things, extend the outside date for the Closing and amend the basis for the Company Consolidation, respectively.

Pursuant to the Amalgamation Agreement, the Company acquired all of the issued and outstanding Target Shares held by the Target Shareholders in exchange for the Consideration Shares, and the Target and Subco amalgamated into one corporation and became the wholly-owned subsidiary of the Company, effective July 27, 2026.

The Transaction was approved by the Shareholders on May 19, 2026 and by the Target Shareholders on May 8, 2026.

In connection with and as a condition to Closing, the Company completed the Company Consolidation.

In connection with and as a condition to Closing, the Company changed its name to "GoldCoast Resource Corp.", and the amalgamated entity changed its name to 1001690554 Ontario Inc. Further, in connection with and as a condition to Closing, Jody Aufrichtig, Dr. Neil Maresky, Warwick Corden-Lloyd, Adri Botha, Alan Friedman and Christopher Michael Bull resigned from their respective officer positions and directorships and the Board was reconstituted to include Sir Sam Jonah (Chairman), Tom Griffis (Executive Director), Michael Nikiforuk and Bobby Banson as directors of the Company, Michael Nikiforuk was appointed as CEO of the Company, Winfield Ding was appointed as CFO of the Company and Dr. Robert (Bob) Griffis was appointed as Vice President – Exploration of the Company.

As a result of the Transaction, the shareholders of the Company prior to the completion of the Transaction hold approximately 3% of the Common Shares and the former Target Shareholders hold approximately 97% of the Common Shares.

As a result of the Transaction, the Target, having amalgamated with Subco, became a wholly-owned subsidiary of the Company and the business of the Target became the core business of the Company.

Listing

The Company has applied for the Listing on the CSE in connection with the completion of the Transaction. As of the date of this Listing Statement, the Company has received conditional approval from the CSE for such Listing. The Listing will be subject to the Company fulfilling all of the listing requirements of the CSE, including meeting all minimum listing requirements, which cannot be guaranteed.

Competitive Conditions

The mineral exploration and mining industry is competitive in all phases of exploration, development and production. The Company competes with a number of other entities and individuals in the search for and the acquisition of attractive mineral properties as well as for the recruitment and retention of qualified employees. As a result of this competition, the majority of which is with companies with greater financial resources and technical facilities than the Company, the Company may not be able to acquire attractive properties in the future on terms it considers acceptable. Finally, the Company competes for investment capital with other resource companies, many of whom have greater financial resources and/or more advanced properties that are better able to attract equity investment and other capital. The ability of the Company to acquire attractive mineral properties in the future depends not only on its success in exploring and developing the Project, but also on its ability to select, acquire and bring to production suitable properties or prospects for exploration, mining and development. Factors beyond the control of the Company may affect the marketability of minerals mined or discovered by the Company. See "*Risk Factors – Intense Competition in Mining Industry*".

Specialized Skill and Knowledge

Various aspects of the Company's business require specialized skills and knowledge. Such skills and knowledge include areas of exploration and development, geology, drilling, permitting, metallurgy, logistical planning, accommodation and implementation of exploration programs, as well as legal compliance, finance and accounting. The Company expects to rely upon consultants, contractors and others with specialized knowledge of exploration and development in Ghana and local community relations. While competitive conditions exist in the industry, the Target has been able to locate and retain consultants with such skills to date and the Company does not anticipate any difficulties in locating competent employees and consultants in such fields in the future. See "*Risk Factors – Dependence Upon Key Personnel and Other Parties*".

Cycles

The mining industry experiences cycles around mineral pricing, which is generally affected by worldwide economic cycles. See "*Risk Factors – Fluctuations in the Price of Gold*".

Environmental Protection

The Company's activities are subject to laws and regulations governing environmental protection, employee health and safety, waste disposal, environmental remediation and reclamation of mine and exploration sites, mine safety, hazardous goods regulations, and other matters. Compliance with applicable laws and

regulations requires forethought and diligence in the conduct of the Company's activities. See "*Risk Factors – Environmental Matters*".

Employees

As at the date of this Listing Statement, the Target had twelve (12) full time employees who are expected to continue as employees of the Company.

Foreign Operations

The Company's mineral properties and assets are located in Ghana, West Africa, and as such, the Company's business operations are exposed to various levels of regulatory, economic and other risks and uncertainties associated with foreign operations. See "*Risk Factors – Risks of Operating in Ghana*".

The Constitution of Ghana (the "**Constitution of Ghana**") vests title in every mineral in its natural state to the President of Ghana on behalf of, and in trust for, the people of Ghana. The exercise of any mineral right in the form of reconnaissance, exploration or exploitation of any mineral in Ghana requires an appropriate mineral right to be issued by the Government of Ghana acting through the Minister. The Minister administers, promotes and regulates Ghana's mineral wealth through the Minerals Commission of Ghana, a governmental organization established in accordance with the Minerals Commission Act 1993 (Act 450) and the 2006 Mining Act.

Pursuant to the 2006 Mining Act, a number of regulations were passed in 2012 to clarify and implement provisions of the 2006 Mining Act. These regulations relate to matters such as licensing, local content, technical issues, mineral right holding costs, mine support services and resettlement and payment of compensation to persons impacted by mining operations.

The 2006 Mining Act provides for a number of categories of licences. See "*The Project – Technical Report – Property Description and Location – Mineral Rights in Ghana*" in this Listing Statement.

For additional information regarding mining operations in Ghana, see "*The Project – Technical Report – Property Description and Location*" in this Listing Statement.

Emerging Market Issuer Disclosure

The Company has implemented a system of corporate governance, internal controls over financial reporting, and disclosure controls and procedures that apply at all levels of the Company and GoldCoast Ghana. These systems are overseen by the Board and implemented by the Company's senior management. These systems of corporate governance, internal control over financial reporting and disclosure controls and procedures are designed to ensure that, among other things, the Company has access to all material information about GoldCoast Ghana. The relevant features of these systems include:

GoldCoast's Control Over GoldCoast Ghana

The Company's corporate structure has been designed to ensure that the Company controls or has a measure of direct oversight over the operations of GoldCoast Ghana. GoldCoast Ghana, is 90% owned by the Company through Amalco, a wholly-owned subsidiary of the Company, and, accordingly, controlled by the Company. As a result, the Company, through Amalco, has the power to appoint and dismiss any and all of the directors of GoldCoast Ghana. In turn, the directors of GoldCoast Ghana (appointed by the Company through Amalco) have the power to appoint and dismiss any and all the officers of GoldCoast Ghana at any time, to instruct such officers to pursue business activities, and to require such officers to comply with their fiduciary obligations. The Company's approval, through Amalco, will be required for any fundamental changes requiring shareholder approval. The Company, through Amalco as shareholder, can also enforce

its rights by way of various shareholder remedies available to it under local laws. As a result, through these relationships, the Company can effectively ensure that the business objectives of GoldCoast Ghana are aligned with its own. As well, budgets, capital investments and programs in respect of GoldCoast Ghana's mineral interests are established by the Company.

In addition, the signing officer for GoldCoast Ghana's bank accounts is specifically designated by the Company through Amalco. In accordance with the Company's internal policies, GoldCoast Ghana must notify the Company and its officers of any changes in its local bank accounts including requests for changes to authority over GoldCoast Ghana's foreign bank accounts. Monetary limits are established internally by the Company as well as with the banking institution and money is transferred by the Company into GoldCoast Ghana's foreign bank account upon request from GoldCoast Ghana as approved by senior management of the Company. Funds are transferred by the Company to GoldCoast Ghana by way of wire transfer. Annually, authorizations over bank accounts are reviewed and revised as necessary. Changes are communicated to the banking institution by the Company and GoldCoast Ghana to ensure appropriate individuals are identified as having authority over the bank accounts.

Strategic Direction

The Board is responsible for the overall stewardship of the Company and, accordingly, supervises the management of the business and affairs of the Company. More specifically, the Board is responsible for reviewing the strategic business plans and corporate objectives, and approving acquisitions, dispositions, investments and other transactions and matters that are material to the Company including those of GoldCoast Ghana. The Board, through its corporate governance practices, regularly receives management and technical updates and progress reports in connection with GoldCoast Ghana, and in so doing, maintains effective oversight of GoldCoast Ghana's business and operations.

Internal Control Over Financial Reporting

The Company prepares its consolidated financial statements and MD&A on a quarterly and annual basis, using IFRS, which require financial information and disclosures from its subsidiaries. The Company implements internal controls over the preparation of its financial statements and other financial disclosures to provide reasonable assurance that its financial reporting is reliable and that the quarterly and annual financial statements and MD&A are being prepared in accordance with IFRS and relevant securities laws. These internal controls include the following:

- (a) The Company receives trial balances, balance sheets, income statements and general ledger details relating to GoldCoast Ghana in order to complete the consolidated financial statements and MD&A. Management of the Company has direct access to relevant financial management of GoldCoast Ghana in order to verify and clarify all information required.
- (b) All public documents and statements relating to the Company and GoldCoast Ghana containing material information (including financial information) will be reviewed by senior management, including the President, the CEO, the CFO, and legal counsel before such material information will be disclosed, to make sure that all material information has been considered by management of the Company and properly disclosed.
- (c) The Audit Committee will obtain confirmation from the CEO and the CFO as to the matters addressed in the quarterly and annual certifications required under NI 52-109.
- (d) The Audit Committee will review and approve the Company's quarterly and annual financial statements and MD&A and will recommend to the Board for its approval of the Company's

quarterly and annual financial statements and MD&A, and any other financial information requiring board approval, prior to their publication or release.

- (e) The Audit Committee will assess and evaluate the adequacy of the procedures in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements by way of reports from management and its internal and external auditor.

Although not specifically a management control, the Company expects to engage its external auditor to perform an audit of the annual consolidated financial statements in accordance with IFRS.

Disclosure Controls and Procedures

The responsibilities of the Audit Committee include oversight of the Company's internal control systems including those systems to identify, monitor and mitigate business risks as well as compliance with legal, ethical and regulatory requirements.

CEO and CFO Certifications

In order for the Company's CEO and CFO to be in a position to attest to the matters addressed in the quarterly and annual certifications required by NI 52-109, the Company is in the process of developing internal procedures and responsibilities throughout the organization for its regular periodic and special situation reporting. This will be done in order to provide assurances that information that may constitute material information will reach the appropriate individuals who review public documents and statements relating to the Company and its subsidiaries containing material information, is prepared with input from the responsible officers and employees, and is available for review by the CEO and the CFO in a timely manner.

Records Management of GoldCoast Ghana

The original minute books, corporate seal and corporate records of GoldCoast Ghana are kept at the GoldCoast Ghana's registered office.

Three-Year History

Prior to the completion of the Transaction, the Company was a life science biotechnology with its operations being focused on the research and development of initiatives involving nature-derived psychedelic products for mental health and wellness applications. As the Company now carries on the business of Target, the following is a discussion of the general development of the Target's business since incorporation on March 7, 2025. The discussion includes the major events or conditions that have influenced the development through the aforementioned period.

Period from Incorporation and Ending March 31, 2026

On March 7, 2025, the Target was incorporated under the OBCA. On incorporation, the Target issued 47,060,869 Target Shares at a price of US\$0.00000025 per Target Share for aggregate gross proceeds of CAD\$17 (US\$12).

On June 19, 2025, GoldCoast Ghana was incorporated. The Target received 900,000 common shares in the capital of the GoldCoast Ghana and Sir Sam Jonah received 100,000 common shares in the capital of GoldCoast Ghana. The Target has the power to appoint and dismiss any and all of the directors of GoldCoast Ghana. In accordance with the laws of the Republic of Ghana, one shareholder of GoldCoast Ghana must be a resident of Ghana. As such, Sir Jonah is a shareholder, however, GoldCoast Ghana is controlled by the Target.

On August 20, 2025, the Target entered into an intellectual property assignment agreement (the "**Assignment Agreement**") with Poseidon Offshore Minerals Inc., a corporation incorporated under the laws of Ontario, Tom Griffis a director of the Target and Bob Griffis, an individual related to Tom Griffis (collectively the "**Assignors**"), pursuant to which the Target acquired from the Assignors certain technical data relating to the Project.

On August 22, 2025, the Target entered into the Psyence LOI.

On June 26, 2025, the Target completed a non-brokered private placement of 1,603,163 Target Shares at a price of US\$0.1497 per Target Share for aggregate gross proceeds of CAD\$335,495 (US\$240,000).

On September 26, 2025, the Target completed a non-brokered private placement of 1,335,967 Target Shares at a price of US\$0.1497 per Target Share for aggregate gross proceeds of CAD\$279,580 (US\$200,000).

On October 1, 2025, the Target completed the Target Consolidation.

On October 9, 2025, the Target completed a non-brokered private placement of 2,628,000 Target Shares at a price of US\$0.29 per Target Share for aggregate gross proceeds of CAD\$1,051,200 (US\$753,395).

On October 15, 2025, the Target issued 285,563 Target Options to a service provider, each Target Option entitling the holder to subscribe for one Target Share at an exercise price of CAD\$0.21 (US\$0.1497) per target Share until October 15, 2028. 1/3 of the Target Options vested on the date of grant; 1/3 of the Target Options vest on the date that the Target completes a private placement of securities of the Target for minimum aggregate gross proceeds of US\$500,000; and 1/3 of the Target Options vest on the date that the Target completes a private placement of securities of the Target for minimum aggregate gross proceeds of US\$5,000,000.

On November 21, 2025, the Target entered in the Amalgamation Agreement.

On January 12, 2026, Ms. Elia Crespo resigned as the Corporate Secretary of the Target and Mr. Chris Irwin was appointed the Corporate Secretary in her stead. In addition, the board of directors of the Target increased from three to four directors and Ms. Elia Crespo was appointed as an independent director of the Target.

On January 22, 2026, the Target issued an aggregate of 3,025,000 Target Options exercisable into Target Shares at a price of \$0.45 per Target Share until January 22, 2031.

On February 18, 2026, the Target completed a non-brokered private placement through the issuance of 470,588 Target Shares and 99,999 warrants to purchase Target Shares, with each warrant entitling the holder thereof to acquire one Target Share at a price of \$0.45 per Target Share until February 19, 2027.

On February 24, 2026, the Amalgamation Agreement was amended to, among other things, extend the Closing Date.

On March 13, 2026, the Target issued an aggregate of 150,000 Target Options exercisable into Target Shares at a price of \$0.45 per Target Share until March 13, 2031.

On March 16, 2026, the Target completed a brokered private placement of 6,853,840 Target Shares at a price of \$0.85 per Target Share for aggregate gross proceeds of \$5,825,760 (the "**March 16 Target Financing**"). In connection with the March 16 Target Financing, the Target paid the agents a cash commission of \$407,803.48 and issued 479,768 compensation options, with each compensation option exercisable for one Target Share at a price of \$0.85 until March 18, 2028.

On March 20, 2026, the Target completed a non-brokered private placement of 3,280,140 Target Shares at a price of \$0.85 per Target Share for aggregate gross proceeds of \$2,788,119 (the "**March 20 Target Financing**"). In connection with the March 20 Target Financing, the Target paid an aggregate of \$102,400 in finders fees and advisory fees and issued an aggregate of 121,353 compensation options, with each compensation option exercisable for one Target Share at a price of \$0.85 until March 20, 2028.

Events Subsequent to March 31, 2026

On April 1, 2026, the Target entered into an advisory agreement with Clarus pursuant to which Clarus is to provide capital market and strategic advice to the Target. As consideration for their services, the Target issued Clarus an aggregate of 2,000,000 compensation options, with each compensation option exercisable for one Target Share at a price of \$0.85 until April 1, 2028.

On April 7, 2026, the Target completed a non-brokered private placement of 70,588 Target Shares at a price of \$0.85 per Target Share for aggregate gross proceeds of \$59,999.80 (the "**April 7 Target Financing**"). In connection with the April 7 Target Financing and the March 20 Target Financing, the Target paid an aggregate of \$90,937.50 in finders fees and advisory fees and issued an aggregate of 107,868 compensation options, with each compensation option exercisable for one Target Share at a price of \$0.85 until April 7, 2028.

On April 13, 2026, the Amalgamation Agreement was amended to, among other things, amend the basis for the Company Consolidation.

On May 26, 2026, the Target issued an aggregate of 470,000 Target Options exercisable into Target Shares at a price of \$0.85 per Target Share until May 26, 2029.

On May 27, 2026, the GoldCoast Loan Agreement was amended to extend the maturity date to June 30, 2026.

On June 18, 2026, the Target issued an aggregate of 250,000 Target Options exercisable into Target Shares at a price of \$1.00 per Target Share until June 17, 2029.

On June 26, 2026, the Target completed the Target Final Private Placement of 210,000 Target Shares at a price of \$1.00 per Target Share.

On July 3, 2026. Ms. Elis Crespo resigned as a director of the Target.

The Project

Overview

The Project is the only material property interest of the Company after completion of the Transactions. The Project is located along the offshore of the Republic of Ghana, West Africa, as described in the Technical Report. At the date of this Listing Statement, the Company has the Project Reconnaissance Licences which provide the Company with the exclusive right to conduct exploration activities within the Project area on the coastal area of Ghana.

The Company is planning to undertake a reconnaissance mineral survey on the Project, which covers much of Ghana's continental shelf area (approximately 10,000 km²), to assess the potential for concentrations of a variety of heavy minerals such as gold, iron and titanium oxides, zircon, diamonds, and monazite (source of rare earth metals). In addition, the proposed reconnaissance mineral survey will also assess the potential for sand and gravel deposits suitable for aggregate, which is in short supply in the major urban centres of southern Ghana, where much of the country's infrastructure and industry is located.

Technical Report

The scientific and technical information in this Listing Statement with respect to the Project is derived, and in some instances is an extract from the Technical Report. Portions of the following information are based on assumptions, qualifications and procedures which are not fully described herein. Reference should be made to the full text of the Technical Report which is posted under Psyence's profile on SEDAR+ at www.sedarplus.ca.

The Technical Report was been prepared in accordance with the requirements of NI 43-101 by the Technical Report Author for the Target. Scientific and technical information in this Listing Statement has been prepared under the supervision of the Technical Report Author. The Technical Report Author has reviewed and approved the description of the Project in this Listing Statement. The Technical Report Author is an independent "Qualified Person" as defined in NI 43-101. The Technical Report Author conducted site visits at the Project on August 9, 2025 and August 10, 2025 when the Technical Report Author discussed the Takoradi port infrastructure for the Project and aspects of the exploration program, reviewed all available literature and inspected a section of the coastline between Takoradi, Cape Coast and Winneba.

Property Description and Location

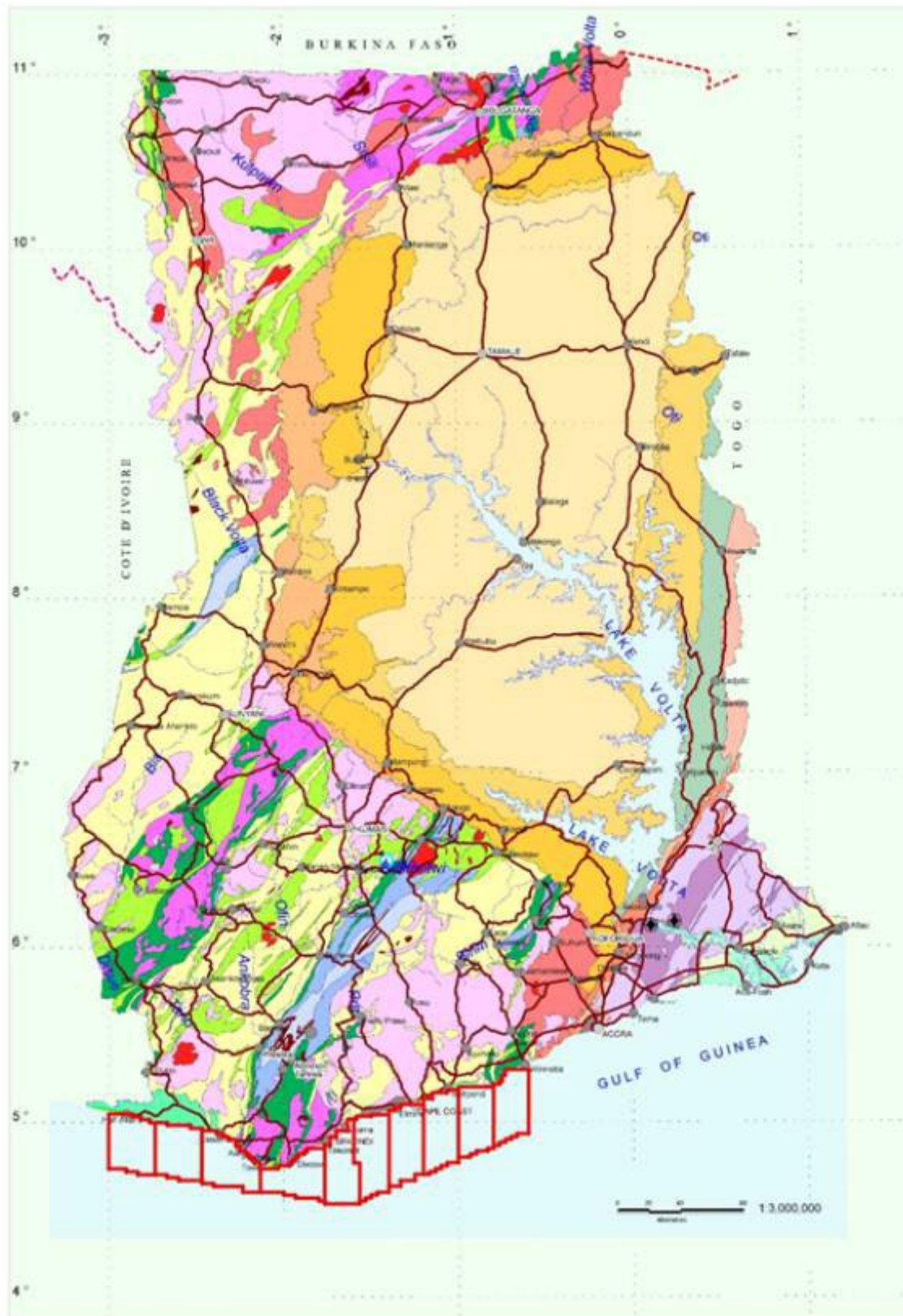
Property Location

The Project area consists of 10 contiguous offshore reconnaissance licenses, approximately 1,000 km² each, located within the territorial waters of the Republic of Ghana from Half-Assini at the western end of the coastline to Winneba along the central part of the coast, a straight-line distance of about 250 km. The width gradually increases to a maximum in the offshore area between Cape Coast and Sekondi, where it widens to as much as 80 km. It narrows to 30-40 km from about Cape Coast to the Half-Assini area. The total Project area is approximately 10,000 km².

Ghana's continental shelf of the Project area is largely defined as the offshore area featuring a relatively shallow, very gently inclined sea-floor (slope of about 1/400+) that varies significantly in width along the coast of Ghana. At depths just beyond 100 m, the slope of the sea-floor steepens significantly (about 1/40) as it descends along the continental slope and reaches depths well beyond 1,000 m within a relatively short distance.

The Project lies within Ghana's marine jurisdiction under the authority of the Minerals Commission of Ghana.

The figure below illustrates the Project area:



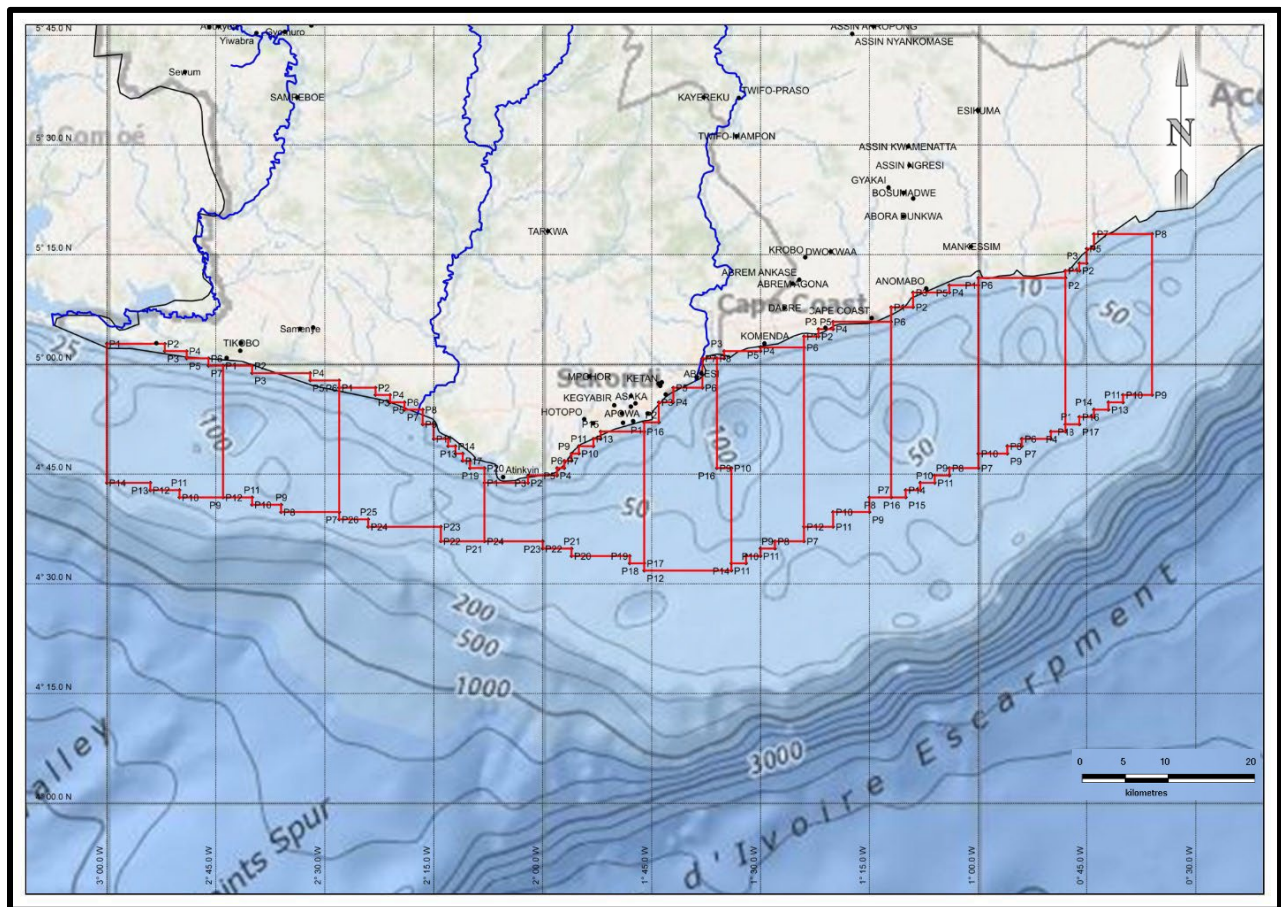
Property Description

The Project Reconnaissance Licences comprise 10 contiguous blocks of approximately 1,000 km² each.

The approximate centroid of the Project is located at:

- Latitude: [-0°47'60"]
- Longitude: [5°12'00"]

The figure below illustrates the offshore Project Reconnaissance Licences area (approximately 10,000 Km²):



Mineral Tenure

The Target was granted the Project Reconnaissance Licenses on February 9, 2026 for a period of one year, expiring on February 8, 2027.

Mineral Rights

Mineral rights in Ghana are governed by the 2006 Mining Act, which is administered by the Minerals Commission of Ghana under the Ministry of Lands and Natural Resources. The 2006 Mining Act sets out

the terms and conditions of maintaining a reconnaissance licence, prospecting licence, and Mining Lease in good standing. These conditions include, but are not limited to:

- payment of rental land rates, royalties and government charges;
- presentation of regular returns and annual returns;
- utilization of the mining rights through the exploitation of the minerals; and
- payment of bonds and maintenance of rehabilitation programs.

Permits and Authorization

The Minerals Commission of Ghana requires that, in addition to a reconnaissance licence, a prospecting licence, and a Mining Lease, other permits for exploration and exploiting activities include an operating permit issued by the Inspectorate Division of the Minerals Commission of Ghana and an environmental permit issued by the office of the EPA branch responsible for mineral exploration.

EPA permit for the Project area is in process and will be issued upon providing work commencement notification to the EPA. An operating permit is renewed every year and is valid from January 1 to December 31 of that year. The operating permit for the Project is in process and will be issued upon providing work commencement notification to the Inspectorate Division of the Minerals Commission of Ghana.

In addition to the EPA and operating permits, it is important to establish strong socio-cultural relationships with communities within and around exploration and mining projects. Access rights must be negotiated with the local inhabitants, and it is mandatory to compensate for disturbances caused by surface exploration. This process is crucial to securing the social licence required to operate within affected communities.

Underlying Agreements

The Company's rights in the Project Reconnaissance Licences, representing 100% interest in the Project Reconnaissance Licences, is subject to a 10% free carried interest by the Republic of Ghana.

Mineral Rights in Ghana

Reconnaissance Licence

A reconnaissance licence confers on the holder the right to search for a specific mineral (or commodity) within the licence area by geochemical and photogeological surveys or other remote sensing techniques. Except as otherwise provided in the reconnaissance licence, it does not permit drilling, excavation, or other sub-surface techniques.

Reconnaissance licences are granted for one year and may be renewed by the Minister from time to time for periods up to one year at a time upon application by the holder. The application for renewal must be made at least three months before the expiration of a reconnaissance licence. The size of the area over which a reconnaissance licence may be granted is limited to 5,000 contiguous blocks or 1,050 square kilometres. A block is one cadastral unit, which is equal to 0.21 square kilometres. Although the largest block stipulated is 1,050 km², it can be increased at the discretion of the Minister.

As of the date of this Listing Statement, the Company has paid US\$100,000 to obtain the Project Reconnaissance Licences, and approximately US\$100,000 for a renewal of the Project Reconnaissance Licences.

Prospecting Licence

A prospecting licence gives the holder the exclusive right to search for specific minerals (or commodities) by conducting geological, geophysical, and geochemical investigations to determine the extent and economic value of any deposit within the licence area. Drilling, excavation, or other sub-surface techniques are permitted under the prospecting licence. The initial grant of the prospecting licence is limited to three years and a maximum area of 750 contiguous blocks or 157.5 square kilometres.

A prospecting licence is granted for a period not exceeding three years and may be renewed for a maximum of two terms or for further periods of up to three years each. The holder of a prospecting licence is required to, prior to or at the expiration of the initial term, surrender no less than half the number of blocks of the prospecting licence area so long as a minimum of 125 blocks or 26.3 square kilometres remain subject to the prospecting licence and the blocks form not more than three discrete areas each consisting of a single block, or a number of blocks each having a side in common with at least one other block in that area.

Mining Lease

The grant of a mining lease (a "**Mining Lease**") gives the holder the right to mine, win, or extract specified minerals (or commodities) within the Mining Lease area. The Mining Lease may be granted to the holder of a prospecting licence or any person who establishes to the satisfaction of the Minister that a mineral to which the Mining Lease relates exists in commercial quantities within the proposed Mining Lease area and can be mined at a profit. The Mining Lease is issued initially for a 30-year period, subject to renewal for a further 30-year term. The size of the area in respect of which a Mining Lease may be granted is limited to 300 contiguous blocks or 63 km² for a single grant.

A person other than the holder of a reconnaissance licence or a prospecting licence may apply for a Mining Lease in respect of a mineral specified in the application over land that is not the subject of a mineral right for the same mineral applied for.

Restricted Licence or Lease for Industrial Minerals

Mineral rights governing the exploration and exploitation of industrial minerals and building materials are granted through the issuance of a Restricted Licence or Lease. A Restricted Licence may be granted, as in the case of other minerals, for the different stages of mineral operations (that is, reconnaissance, prospecting, and production) in the form of a Restricted Reconnaissance Licence, a Restricted Prospecting Licence, or a Restricted Mining Lease.

The Restricted Reconnaissance Licence is normally granted for up to one year and may be renewed by the Minister from time to time for periods up to one year. The Restricted Prospecting Licence is normally granted for a period not exceeding three years and may be renewed for a maximum of two terms or for further periods of up to three years. The Restricted Mining Lease is normally granted for a period not exceeding 15 years and may be renewed for the same number of years.

Mineral rights for building and industrial minerals are reserved for Ghanaian citizens except where an exemption is made by the Minister, on the advice of the Minerals Commission of Ghana, as being in the public interest. A local authority, owner, or lawful occupier of any land is permitted to prospect for and mine, on any land owned or occupied by him, any building or industrial mineral for use in building, road making, or agricultural purposes.

A person who is not a Ghanaian may apply for a mineral right in respect of an industrial mineral, provided the proposed investment in the mineral operations is ten million US dollars or above.

Small-scale Mining

The small-scale Mining Licence governs winning, mining, and production of minerals such as gold, diamonds, salt, kaolin, silica, sand, brown clay, aggregates, and crushed rocks by an effective and efficient method, and observe good mining practices, health and safety rules, and pay due regard to the protection of the environment during mining operations.

A small-scale Mining Licence is granted to a person, a group of persons, a cooperative society, or a company for a period of no more than five years from the date of issue in the first instance and may be renewed on expiry for a further period that the Minister may determine.

The size of the area in respect of which a small-scale Mining Licence may be granted for small-scale mining shall not exceed 25 acres (10 hectares). Only Ghanaians of at least 18 years can be granted a small-scale Mining Licence.

Licence Fees

Under the 2006 Minerals Act, there are a number of fees applicable. Annual mineral rights fees are payable depending on the type of licence, the size, and how long the licence was held.

Annual Mineral Rights fees are as follows:

- (a) reconnaissance licence – each cadastral unit costs US\$16 for the first year, and US\$20 from the second year.
- (b) prospecting licence – an annual rate of US\$32 for each of the first three years, US\$50 from year 4-6, and US\$70 from year 7-9.

Approval charges for a transfer, assignment, mortgage, or joint venture of a reconnaissance licence are pegged at US\$20,000 and for a prospecting licence at US\$40,000. The option agreement is US\$10,000 for both a reconnaissance licence and a prospecting licence.

In addition to the fees shown above, all mineral rights holders pay a "ground rent" to traditional landowners annually through the Ghanaian government. The ground rent fees for a prospecting licence are about US\$8 per square kilometre.

Mining Royalties

Pursuant to the 2006 Mining Act, the holder of a mining lease is required to pay, quarterly, a royalty of 5%.

Reporting Requirements

In order to maintain a licence, the owner is required to submit the following reports:

- Quarterly Return Form
- Environmental Report
- Terminal Report

Environmental Regulations

An environmental permit is required for any exploration activity. Environmental permits are issued for a period of two years, and they are renewable as long as the licence is valid and requires yearly reporting to the EPA.

The EPA is required to hold a public hearing in respect of an application for an environmental permit where there is a material adverse public reaction to the commencement of the proposed undertaking. In particular, if it involves the dislocation, relocation, or resettlement of communities, or the undertaking could have extensive and far-reaching effects on the environment.

After the approval of the EIS, an environmental management plan, in respect of operations, must be submitted within 18 months of commencing operations and every three years thereafter.

Failure to commence operations within the prescribed time period renders the environmental permit invalid, and the applicant is required to resubmit an application to the EPA, together with reasons for the new application.

After commencing mining operations, the applicant is required to apply for an environmental certificate that may be issued subject to terms and conditions. The environmental certificate must be obtained within 24 months of the commencement of operations.

An environmental certificate will not be issued by the EPA until the person responsible for the application has submitted evidence or confirmation of the actual commencement of operations, acquisition of other required permits, and approvals and compliance with mitigation commitments provided for in either the EIS or preliminary environmental report. Mining companies are also required to submit annual environmental reports in respect of mining operations.

Environmental Liabilities

The Project is located offshore of Ghana with no environmental liabilities at this stage, as it will not involve the dislocation, relocation, or resettlement of communities.

Other Significant Factors and Risks

To the knowledge of the Technical Report Author, there are no other significant factors and risks that may affect access, title, or the right or ability to perform work on the Project.

Property Access and Infrastructure

Southern Ghana has extensive infrastructure and several major cities, especially along the coast. The region is dominated by the Accra-Tema area, the largest urban (5+million population) and industrial area within Ghana by a wide margin, and it is also the seat of the national government. Along the central part of the coast is Cape Coast-Elmina, another major urban area known mainly for its secondary and tertiary educational facilities, as well as being the capital of the Central Region. Further to the west is another major urban area, Takoradi-Sekondi, the country's second major port and a transportation hub.

Takoradi is now also known as the 'Oil City' because all of the offshore oil producers and service companies have offices and supply depots in the immediate area. The oil and gas come from major fields along Ghana's continental slope, not far from the border with the Ivory Coast. Although virtually all of the oil production is immediately exported from offshore facilities, most of the gas is destined to be piped to the shoreline, where it is intended for the domestic market. The Government of Ghana has initiated major infrastructural

programs along the western coastline with the hope that it will lead to the development of major new industrial activities based on the availability of low-cost gas supplies.

The Port of Takoradi is in the process of being upgraded and will continue to be the main export harbour in the country. The traditional marine exports have been timber and mining products (bauxite and manganese concentrates), in addition to rubber, coconut, and palm oil products. Takoradi also has major naval, air force, and army bases, and is now playing a more active role in patrolling Ghana's offshore territorial waters. Efforts are now underway to upgrade the largely defunct railway that connects the harbour to the manganese and bauxite operations, as well as to Kumasi, the country's second largest city and the capital of the Ashanti Region. The port and surrounding industrial and urban areas are likely to play an important role in future offshore mining projects as well.

The major towns and cities along the coast are all connected to the major east-west highway that crosses the country, and all the small villages can be accessed along gravel roads. The national power grid has penetrated the area quite extensively, and now, very few towns along the coast are without power. Likewise, the commercial network of mobile telephone companies has effective links throughout the region.

Accra has a major international airport, which provides adequate connections to many European destinations, as well as to major cities in West, Central, and East Africa. The Government of Ghana is attempting to upgrade regional airports to facilitate further growth in domestic flights, and Takoradi has been a beneficiary of these efforts with several daily flights to the capital.

Like many countries, Ghana is beginning to encourage alternative sources of power, especially in urban and rural communities where solar power is especially practical. The capital costs for such installations have come down steadily in recent years, and the growth of this sector of power generation may become much more widespread in the coming years.

History

There has been no systematic exploration along the continental shelf of Ghana for anything other than oil and gas. However, for a number of years, a Canadian junior mining company, Marine Mining Corp. ("**Marine Mining**"), held exploration rights to a very large licence area extending offshore from about Winneba westwards about 200 km to Essiama, just west of the mouth of the Ankobra River. Marine Mining's initial interest was in the offshore mineral sands, especially in areas where the sand could be expected to contain gold. The Marine Mining's concession was virtually identical to the Project area.

Marine Mining's focus was on the alluvial debris carried to the coast by the Ankobra and Pra river systems, which drain mainly the Ashanti greenstone belt, which hosts several world-class gold deposits and a myriad of lesser-known gold deposits. Both these river systems have extensive current alluvial gold inventories, and obviously, they must have deposited a very substantial amount of alluvial gold in coastline deltas, many of which would have been re-worked as beach sand and gravels and transported along the coast by long-shore currents.

Marine Mining did sample areas right around the mouths of the Ankobra and Pra rivers and certainly identified anomalous gold values in numerous samples. There were a variety of types of gold grains discovered that were interpreted to have come from different sources and environments, some quite nearby, some more distal. They also took a few small grab samples of sand out much further to sea and again got some noticeably anomalous values. The offshore sampling was very limited, but it at least confirmed the potential for substantive accessory gold in offshore sediments.

For a considerable period of time, when the gold price was depressed and funds for gold exploration were unavailable, Marine Mining adopted a different approach and decided to look at the potential for aggregate

in offshore sediments. This was very timely because the Ghanaian economy for the past 20+yrs had been growing at a very considerable rate, and there was a rapidly growing demand for sand and gravel in the housing and infrastructure sectors. Much of the growth in the economy was concentrated in southern Ghana, where easily accessible sources of sand and gravel were limited and there were very few stone quarry operations.

Unfortunately, Marine Mining's efforts to promote the potential for offshore aggregate were limited by a lack of funding, and no real progress has been achieved in this regard. Nevertheless, the demand for sand and gravel in southern Ghana has continued unabated, and there has been a major ongoing shortfall between supply and demand. This has resulted in the unfortunate situation where construction companies have been stripping sand and gravel from thin surface sources all over southern Ghana, seriously degraded widespread areas. This degradation of the land has, in fact, become a major problem for the Government of Ghana, and the Technical Report Author believes that an offshore source of sand and gravel supplies would help alleviate a very serious situation that is already creating a major bottleneck in Ghana's long-term housing and infrastructure plans.

Geology

Regional Geology

This section of the Technical Report provides a brief description of the geology of the onshore and offshore areas of southern Ghana, as well as the main types of mineral deposits known in the area that may have been eroded and carried into the offshore environment. Substantial amounts of gold have almost certainly been carried into the offshore areas and could be a valuable accessory mineral in some heavy mineral sands. Therefore, this section of the Technical Report provides a brief background on the history and nature of the inland gold deposits.

The most abundant heavy minerals expected to be found in offshore mineral sands will be combinations of iron and titanium oxides, which often occur together, and there are abundant sources of these minerals in many nearby inland rocks, so they will certainly be an important component of many offshore mineral sand deposits. In addition, the southern part of the Ashanti Belt hosts many manganese carbonate and oxide deposits, some located very close to the coast, and eroded debris from these deposits could be concentrated in some offshore beach deposits.

Other less common heavy minerals, such as zircons and monazite, are minor to trace constituents of many granites and pegmatites, which are found in abundance within the massive Cape Coast granitic complex that is exposed over wide areas along the coast, east of the Pra River. Under suitable conditions, zircons and monazite grains can become significantly concentrated in beach sands and are relatively easy to recover by physical means. Concentrations of these minerals are quite valuable sources of zirconium metal and rare-earth elements (REEs), which are becoming increasingly valuable in an age of highly specialized metals. Some of the same sands with these minerals could also include minor amounts of tin and tantalum, as well as a few more exotic semi-precious minerals such as various varieties of beryl and coloured tourmalines, possibly even a few emeralds, which are a highly valuable variety of beryl.

The Birim River drainage basin has been the source of very large amounts (over 100 million carats-Kesse, 1985) of industrial diamonds that have been mined since the early 1920s, and at one time (1950s), Ghana was one of the world's most important sources of industrial diamonds. The Birim River valley still contains a vast resource of alluvial diamonds, and it is almost certain that a significant amount of diamonds have been transported down the Pra River and into the offshore environment. This probably occurred during the massive flooding that took place about 10,000 years BP, when all the inland alluvial gold and diamond deposits were being reworked under very high energy conditions. The offshore diamonds could eventually be concentrated in old beach sands along ancient coastlines, along with a variety of other heavy

minerals. Diamonds are not very dense (S.G. of 3.5), but they are very hard and will likely be concentrated in sands that may contain considerable heavy minerals, and the diamonds could be a potential by-product.

Unconsolidated sediments along Ghana's continental shelf will certainly include extensive deposits of sand and gravel that are suitable for a wide range of uses in the aggregate industry. Considering the chronic shortages of sand and gravel in many highly populated parts of southern Ghana, as well as the rampant degradation of lands in southern Ghana by illegal sand winning, the Government of Ghana must make a concerted effort to source aggregate from offshore deposits. This has been done very successfully in many countries, and there is little reason to think that it cannot be done in Ghana as well. It is also very possible that significant deposits of heavy minerals will occur in sand and gravel deposits, and aggregate could be an important by-product in an operation to recover a variety of heavy minerals. Conversely, a sand and gravel operation would include the recovery of other heavy minerals as by-products.

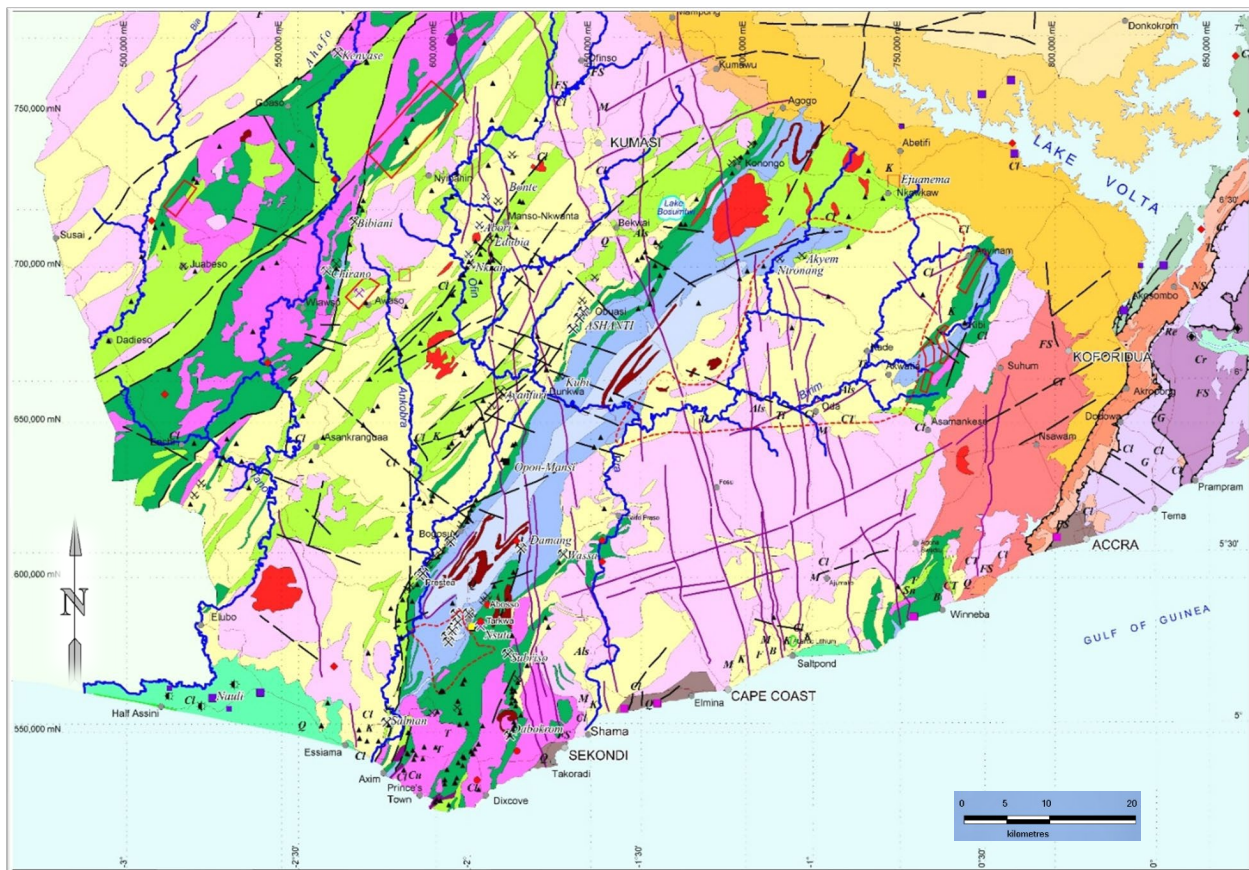
Geological Background of Southern Ghana

The geology of Ghana, in very simplified terms, is dominated by 3 geological 'domains'. Half of the country is underlain by Early Proterozoic (mostly around 2- 2.2 billion years old) metamorphosed Birimian sediments, volcanics, and intrusions. The other half is dominated by the large (about 35%), central Volta Basin of mainly flat-lying, highly indurated but unmetamorphosed sediments and a narrow, eastern belt (approximately 15%) of highly tectonized and metamorphosed Pan-African sedimentary and volcanic units, along with a smattering of intrusives.

The Volta Basin sediments are mainly Late Proterozoic in age (about 1 billion years to around 550 million years BP), although in the central part of the basin, some of the youngest units are lower to middle Paleozoic in age (about 350 mill. yrs. BP). Much of the Volta Basin appears to be underlain by Early Proterozoic/Birimian units.

The Pan-African units appear to have been thrust westwards onto the margins of the Volta Basin and occur along a rugged NNE trending belt that extends from the coastal area immediately west of the capital Accra up towards and beyond the border with Togo. The 'Pan-African event' (approximately 600 million yrs. BP) is manifest along the border between Ghana and Togo; it represents a classical mountain-building period within a 'eugeosynclinal' marine sedimentary/volcanic environment, and that the Volta Basin represents the 'miogeosynclinal' basin, which features thick sequences of clastic sediments derived directly from the denudation of the adjacent mountain chain.

The geological map of southern Ghana set out in the figure below illustrates many of the features outlined above and gives an idea of the complexity of the geological history of the region.



Geology along the Continental Shelf of Ghana

Looking at the geological map of Ghana, one could immediately speculate that much of the continental shelf all along the offshore coast of Ghana consists of the same mainly Proterozoic units that are exposed in many areas right up to the coastline. In fact, the Proterozoic age units stop abruptly at the coastline, and only in rare instances do they extend any distance onto the continental shelf. If they do occur along the continental shelf, they do so beneath great thicknesses of much younger sediments, which dominate the offshore areas of southwest Ghana.

In fact, along the shores of Ghana's coastline, there are exposures of a wide variety of mainly marine sediments. For example, in and around Takoradi and Sekondi, thick Devonian sedimentary units (Sekondian Series) are well exposed in many road-cuts, and similar-aged units are also exposed in and around Accra (Accraian Series). Immediately east of the mouth of the Pra River, towards Elmina, a narrow band of Devonian clastics is exposed, and further along the coast to Saltpond and Winneba, sequences of Jurassic clastic units (Amisian Formation) are exposed along the coast.

At the far western end of the country, fairly widespread Upper Cretaceous to Early Tertiary marine clastics (Apollonian Formation) are exposed in many of the hills close to the coastline. These units include a very distinctive, highly fossiliferous carbonate that is now being used in the manufacturing of cement. It has long been known that many oil seeps are known within the Apollonian Formation, and this was the area where some of the early oil exploration was focused.

Early drilling for oil on land in the southwest corner (Half-Assini) of Ghana clearly confirmed the existence of very thick sequences of sediments that projected out onto the continental shelf, but results were generally disappointing. Nevertheless, the presence of very thick sequences of marine sediments in the offshore areas

along the coast of Ghana provided a large target area, and many were hopeful of duplicating the types of discoveries made along the coast of Nigeria, especially in the offshore Niger River delta area.

By the late 1960s, systematic oil exploration along Ghana's continental shelf gained considerable momentum, and some early results were encouraging in the area south of Saltpond where drill holes to depths of about 3000 m were completed. The sediments spanned a time range from about the Devonian (Middle Paleozoic – approximately 300 mill. yrs. BP) through to the Cretaceous (approximately 60 mill. yrs. BP). Eventually, some very modest production was achieved in this area, and more widespread drilling all along the shelf area revealed similar very thick sequences of sediments right across the continental shelf. By the 1970s, the concept of continental drift and plate tectonics became universally accepted, and this had important implications for sedimentary and tectonic modeling of this region.

The Atlantic coast of West Africa represents a passive continental margin created by the separation of Africa and South America. This slow and lengthy process looks to have been initiated as early as the Middle Paleozoic and has continued ever since. As the massive, old Gondwanaland supercontinent began to break up, thick sequences of sediments began to accumulate along the passive margin of the new African continental block. These included mainly marine clastics that accumulated in very thick sequences, some of which appear favourable for substantive oil and gas accumulations. Unfortunately, considerable drilling along much of Ghana's continental shelf area has yet to yield any major new discoveries.

As oil exploration methods advanced in order to carry out surveys in increasingly deeper offshore basin areas, new discoveries were made in many areas well beyond the continental shelf, especially along the continental slope. This opened many new frontiers for oil exploration, and very significant discoveries were made along the coastal areas of Africa and South America. As noted earlier in this report, the small American oil company, Kosmos, carried out seismic studies well off the continental shelf in waters over 500m deep, in Ghana's territorial waters, very close to the western border with Côte d'Ivoire (CI). It had long been known that major oil deposits off the coast of CI occurred in deeper basins that apparently extended into Ghana's continental slope area. By 2008, Kosmos' efforts were rewarded by the discovery of major oil and gas accumulations in thick Early Tertiary sediments well out into the continental slope. Since then, several other discoveries have been made in the same vicinity, and Ghana has now become a modest but expanding oil producer.

To the immediate east of Shama, where the Pra River enters the ocean, the shoreline is moderately subdued as it is also underlain by younger sediments, but the coast becomes more rugged and hilly again towards Elmina/Cape Coast/Saltpond. This area features more resistant and much older granitoids, pegmatite dykes, and large swaths of Birimian metasediments. Further east towards Winneba, a variety of resistant Birimian volcanics and metasediments are exposed along the coast, as well as extensive granitoids. Around the coast of Accra, highly sheared, low-grade Neoproterozoic metasediments extend to the shoreline and further east towards Prampram, extensive metasediments and intrusions are widespread. The 100+km long eastern end of the shoreline is mainly dominated by low-lying sand bars and extensive lagoons related to the complex Volta River delta system.

Mineralogy

The most common constituents of alluvial deposits are those found in nearby bedrock sources and they include very common minerals such as quartz, feldspar, mica, amphibole, pyroxene, along with a variety of clay and carbonate minerals; they also include rock particles from nearby sources, especially the more durable rocks such as granites, some volcanics, and many sedimentary and metamorphic units with high quartz content. These typically make up 90-98% of the sand deposits, and most of them are relatively light, usually with a specific gravity (SG) less than 3.

The remaining balance of the alluvial deposits (approximately 2-10%) is usually heavy and more durable

minerals. The most common of these are the iron and titanium oxides, which include the likes of hematite (Fe_2O_3) and magnetite (Fe_3O_4) as well as ilmenite ($\text{Fe, Ti}_2\text{O}_3$) and rutile (TiO_2). They include a host of other minerals that are typically quite heavy, with a specific gravity close to or greater than four. They also tend to be chemically and/or physically durable minerals. For example, gold and platinum are ideal metals to be concentrated in beach sands by physical means because they are so heavy (SG of 19-20), chemically inert, and malleable. On the other hand, many sulphide minerals are heavy, but they are often very brittle and chemically active, so they do not survive long or far in the alluvial environment. At the other end of the spectrum, some quite light minerals, such as diamonds, which have a modest SG of 3.5, are extremely hard and chemically resistant, so they are commonly concentrated and preserved along with other heavy minerals.

As noted above, the planned offshore exploration program is very interested in high-value heavy minerals and low-value bulk commodities such as aggregate (sand and gravel). It is anticipated that the two will be fairly closely linked in many high-energy beach deposits where finer-grained heavy minerals will be hosted in coarse sands and gravels with clasts that are hard and durable, such as quartz, granitoids, and some mafic volcanics and intrusives.

Economic Potential

The potential economic importance of offshore mineral sands is quite considerable, and the exploration program to identify and assess such sands is really two-fold. The primary interest has been in the potential for a concentration of minerals in the 'sands' that could be valuable sources of a variety of metals and minerals, such as gold, iron and titanium oxide. Beach sands in many places around the world are being mined extensively for such commodities, usually on land close to the shoreline, but some operations for the same minerals are being recovered in similar beach-type deposits in offshore locations.

In Ghana, there are numerous areas where onshore beach sands do occur, but for the most part, they are in coastal areas that are vital for agriculture and human habitation. It is expected that remnants of extensive old beach sands will occur along the continental shelf from times when the sea level was much lower than present, and the coastline was well south of its current location.

Beach sands are mostly re-worked alluvial deposits that typically remove the finest and the least durable particles (mostly clay and silt-sized material) and concentrates the larger, more durable particles and the heaviest minerals. The term 'heavy minerals' is used informally to refer to the heavy minerals that are typically found in virtually all types of alluvial deposits, including beach sands.

Onshore Mineral Deposits

Gold

Hundreds of years before the Portuguese sailors first arrived in late 1400s along the coast of West Africa in search of gold, large quantities of this precious metal had been mined and transported across the Sahara to North Africa. This trade helped to establish and support major trading centers in the Sahel along the course of the Niger River, and contributed much to the main trading ports along the southern coast of the Mediterranean Sea.

The arrival of the European traders led to increased gold production within the forest areas of southern Ghana, and the area became known as the GoldCoast. It soon became one of the most important gold-producing areas in the world and eclipsed other major producing areas in present-day western Mali and northern Guinea.

In the late 1800s, when the emerging European powers were carving up their respective interests in Africa,

Great Britain emerged as the dominant European power along the GoldCoast and claimed it as a British colony in the mid-1870s. This marked the beginning of a new era in gold mining in the region as foreign companies were able to gain gold concessions in very prospective areas in the interior of the country for the first time. By the beginning of the 20th century, modern gold operations began to emerge in many districts of southwest Ghana.

As will be seen below, during the colonial period, gold exploration and production waxed and waned according to economic conditions in the world economy. There was a huge but very brief gold rush at the very beginning of the 20th century and a much more sustained one throughout the 1930s, when gold production reached historical highs and world-class operations developed at the famous Ashanti mine at Obuasi and in the Tarkwa, Prestea, and Bibiani districts.

After World War II and leading up to Ghana's independence in 1957, the gold production remained substantial, and the mines were critical to the economy of the new nation. However, the rising costs of production at a time of a fixed gold price made many of the existing operations marginally profitable, except for the Ashanti mine, whose very high grades kept it amongst the premier gold producers in the world. In the early 1960s, the Government of Ghana bought out several of the marginal producers and formed the State Gold Mining Corporation. This parastatal entity achieved very good results in the 1960s and early 1970s, but a sustained lack of capital investment in the existing operations led to a downward spiral in production throughout the remainder of the 1970s and early 1980s.

It was not until the mid-1980s that the downward trend was reversed as a result of the implementation of a broad Economic Recovery Program, which included a significant focus on the mining sector. New laws and regulations, as well as fiscal incentives, were established to attract foreign capital to carry out exploration and development of new producers or the upgrading of existing gold operations. Such new policies were successful and created the necessary economic 'enabling environment' that resulted in large capital expenditures on exploration and development projects.

Dramatic increases in production were achieved and have been sustained for the past 20+ years. Ghana has emerged as the largest gold producer in Africa, and the country has been consistently in the top ten world gold producers. Ghana's success has become a case history for many developing nations, especially with respect to stimulating exploration and mining.

During the latest exploration boom, much of the early interest naturally focused on previous producers and the implications of new treatment schemes to more effectively mine lower-grade deposits at mines that had closed down. In addition, many of the older mines now had more reason to re-evaluate known resources on their extensive concessions and to bring in new ideas and ways to increase production. This was especially true at Obuasi, where a new and enlightened management team undertook huge development schemes that greatly increased gold production from about 250,000 ozs in the mid-1980s to almost 1 million ounces in the mid-1990s.

In addition, the Government of Ghana's efforts to privatize the exploration and mining assets of the State Gold Mining Corporation were finally successful in the early 1990s, and subsequent developments have seen very impressive production increases. For example, in Tarkwa, the old underground operations were producing a very modest 20-40,000 ozs/yr in the late 1980s through the mid-1990s but a very large low-grade open-pit operation that got started in the late 1990s saw production shoot up to over 300,000 ozs by the end of the decade and for the past several years it has been the #1 producer in Ghana at about 600,000 ozs per year.

Ghana plans to maintain a favourable 'enabling environment' for investment in the mining sector. This starts with a full commitment to good governance and the strengthening of democratic institutions that have gained the nation much favourable attention in recent times. It also includes modifying laws and regulations

to improve the oversight and administering exploration and mining activities, as well as establishing a fair and equitable distribution of the profits from mining in the country.

Gold production in Ghana has been very significant over the ages and has kept Ghana as the pre-eminent producer in the region. It is especially noteworthy that over the past 20+ years, Ghana has seen a steady increase in production to the present historically high levels that have allowed the country to achieve the status of number 1 gold producer in Africa and have allowed it to consistently break into the top 10 world producers. In 2024, total gold production was a record 5.1 million ounces from both large- and small-scale producers. Buoyed by new contributions from Newmont's Ahafo South Mine and Shandong's Namdini Mine in 2025, gold production is projected to increase further (according to the Ghana Chamber of Mines).

Types of Gold Deposits

The vast gold endowment of Ghana is mainly confined to the Early Proterozoic units and the modern rivers and valleys that drain these areas. The Early Proterozoic is dominated by broad basins of marine sediments along the margins of comparatively narrow, NE-trending 'greenstone' belts, which contain a great variety of sediments, volcanics, and intrusions. The broad sedimentary basins feature a variety of very thick, marine clastic sediments, which were later intruded by massive granitoid batholiths, probably of anatectic origin. The primary gold deposits are mainly confined to the 'greenstone' belts, especially along the margins of these belts and the adjacent basin sediments.

Birimian-Hosted Deposits

In the early 1900s, it was really the opening up of the high-grade quartz vein systems at Obuasi in the Ashanti Region that spurred on future generations of explorers. The 'Ashanti-type' of vein systems produced some of the richest gold deposits; they are now generally referred to as 'an orogenic gold deposit' and are amongst the most prolific producers in the world.

These gold occurrences usually feature complicated quartz vein systems commonly associated with extensive disseminated sulphides. The vein systems usually appear to be related to regional NNE to NE trending regional structures (tectonic corridors), which are typically concentrated along the margins of various Birimian 'greenstone' belts and adjacent metasedimentary basins. The most favoured host rocks are usually interbedded argillites, greywackes, and volcanoclastic units. Frequently, these deposits also feature a variety of fine-grained chemical sediments (siliceous, graphitic, manganese, carbonate, fine-grained sulphides, etc.). It is also quite clear that in some areas, intermediate intrusions and mafic volcanics in the transitional zones between the belts and basins also host important gold occurrences.

Orogenic gold deposits often consist of steeply dipping vein systems, usually with multiple stages of mineralization and veining. In some cases, the veins are relatively narrow (1-2 m) and discreet, and there may be several parallel sets within broad structural zones. Not all vein systems are created equal; some are relatively barren in gold, whereas others can be extremely high-grade. Individual vein systems can be traced for long distances along strike (1000+m) and are up to 10+m wide (Obuasi, Bibiani), although most are narrower. The individual vein systems can also extend to considerable depth (500+m). One individual set of veins can pinch out rapidly, but a separate one can be discovered along strike, down dip, or anywhere within the confines of a broader, favourable structural zone.

The mineralized veins often feature medium to fairly dark grey quartz and commonly contain visible gold along with relatively abundant granular pyrite and arsenopyrite, usually in relatively fine-grained, acicular form. However, in many of the mineralized vein systems, visible gold is quite uncommon.

It has long been recognized that on a local and regional scale, structure is probably the key factor in controlling lode gold deposits in southwest Ghana. The term 'structural corridor' for many of the regional

structural zones along the margins of the belts and basins is appropriate because they certainly feature a variety of structures of considerable complexity over extensive areas. They form an excellent plumbing system for vast quantities of mineralizing fluids, provided by hot, connate waters from the nearby basin sediments and from metamorphism of deeply buried sediments and volcanics within the greenstone belt.

Tarkwaian-Hosted Deposits

The conglomerates of the Tarkwa district have now produced about 20+ million ounces of gold over the past 100+ years, and although the last remaining underground mine closed in 1999, the district now has very substantial open-pit gold production, and the regional resource potential is excellent. To date, virtually all of the gold mined from Tarkwaian Paleo-placers, traditionally known as 'banket' deposits, have come from the immediate vicinity of the Tarkwa district. Similar Early Proterozoic sedimentary sequences are known in many of the other belts in Ghana and neighbouring Paleoproterozoic belts of West Africa, where there are some minor gold occurrences. However, as yet, none of these have been developed into major mines.

In the Tarkwa district, the 'basal' conglomerate in the Banket series usually contains the best gold values, but the overlying conglomerates also contain substantial gold, and the intervening cross-bedded quartzites frequently contain low values. On the eastern margin of the Tarkwa Syncline, where most of the underground mining has been concentrated, the banket conglomerates are comparatively thin (often less than 1 m), whereas they thicken to the west. The high-grade zones (15-45g/t) are largely confined to the thin conglomerate beds that contain a high proportion of well-rounded, coarse quartz pebbles. The gold is virtually restricted to the matrix of the conglomerates where it occurs as quite fine (10-15 microns) grains or clusters, often in zones with abundant hematite. Tarkwaian gold is typically very pure, with a fineness commonly exceeding 950.

Although a few geologists have speculated on an epigenetic origin for the Tarkwaian gold occurrences, the vast majority of opinions by those most familiar with the area are essentially unanimous that these deposits are true paleoplacers. They bear striking resemblances to the huge paleoplacers of the Witwatersrand Basin of South Africa.

Quartz veins are very common in the Tarkwaian Group, but historically, these have been of no commercial interest. This all changed in the late 1980s when a large mineralized stockwork system was discovered and developed at Damang, just to the NNE of Tarkwa. The Damang quartz stockwork system is hosted in the Banket Formation units on the east limb of a tight anticlinal structure with a NNE trend. The fracture system has been traced for several kilometres along strike and features two dominant, generally N-S trending vein systems; one dips shallow (20-35°) to the east, whereas the second set dips more steeply (60-75°) to the east.

Since the discovery of the Damang deposit, this type of occurrence has been GoldCoast of considerable exploration effort. In reality, these occurrences are just another type or style of orogenic gold deposits that probably formed fairly late in the Eburnean tectonic cycle, and the gold could have originated either from nearby Tarkwaian conglomerates or from nearby existing Birimian occurrences.

Oxide and Laterite Occurrences

Virtually all of the primary (and paleoplacer) gold deposits in Ghana have been intensely weathered to produce oxide and lateritic caps. The oxide cappings (also called saprolite) have been a major target for exploration over the past two decades because they are usually amenable to inexpensive surface mining and treatment schemes, thus allowing very low-grade deposits to be mined economically. In some areas, the lateritic crust on top of the oxide zone can also contain residual gold, but in most of the current gold districts, mineralized lateritic cappings have been eroded away.

The effects of oxidation have had a particularly beneficial effect on deposits with extensive disseminated sulphides in the primary zone, and where a high proportion of the gold was originally contained within sulphide grains. The liberation of gold from the sulphides has rendered many of the oxide caps suitable for mining, whereas the underlying primary zones may be too low grade to justify more expensive refractory recovery systems. The physical effects resulting from the weathering have also resulted in many benefits, such as softer ores that require minimum blasting as well as substantially increasing the permeability of the host rock, which may permit very low-cost heap-leach methods to recover the gold. Oxidized and lateritic gold accumulations have also been the principal source for gold in the current and past inland river systems for many millions of years.

Late Quaternary Alluvial Deposits

The vast majority of historical gold production from Ghana before the 20th century came from a myriad of small streams and rivers draining areas with underlying oxide and primary gold deposits. In addition, several of the major rivers have been dredged starting in the early 1900s, and in the Dunkwa area, dredging along the Ofin River lasted up into the early 1990s.

The much-improved gold price of the late 1980s resulted in a major resurgence of alluvial mining, including large alluvial operations that were started up on rivers in several districts. With the increase in the gold price over the past several years, the amount of small-scale gold mining, primarily of alluvial deposits, has increased dramatically throughout Ghana. Currently, the historical high price of gold will almost certainly guarantee significant ongoing gold production from artisanal miners. However, the rampant destruction of the environment in many gold districts poses a major problem for the Government of Ghana and the mining industry, which eventually has to be addressed.

There is very little detailed information on the ages of the alluvial terraces and river sediments observed in the present inland river system, but most appear to be relatively young and are probably of Late Quaternary age. During the last major ice age, the sea level was about 100-120 m below the current level, and at the end of that ice age, perhaps around 10,000 years BP, much of southern Ghana had a savannah climate characterized by low rainfall and fairly sparse vegetation. This was followed by a very rapid increase in rainfall that resulted in enormous erosion and down-cutting of most of the main river valleys throughout southern Ghana. A great deal of gold was eroded from all the near-surface deposits in the region and added to the alluvial gold already in the existing rivers.

Iron, Titanium, and Manganese

Iron, titanium, and manganese minerals are very widespread in the bedrocks of southern Ghana and occur in a great variety of host rocks, mostly as accessory minerals. In some cases, they occur in primary and secondary concentrations and are potentially of economic significance.

Iron occurs mainly in the form of very common iron oxides such as magnetite (Fe_3O_4) and hematite (Fe_2O_3); magnetite is highly magnetic and usually of primary origin, whereas hematite is non-magnetic and can be formed as a primary mineral but also can be of a secondary origin. Other very common iron oxide minerals in Ghana include goethite [$\text{FeO}(\text{OH})$] and limonite, which is a complex hydrated iron oxide; these are invariably secondary minerals formed by the weathering of primary bedrock that is rich in iron.

In southern Ghana, concentrations of secondary iron oxides are mainly observed in the widespread iron laterite deposits that cap most of the high hills throughout the region. In the past, most of these laterites were far more widespread than currently observed, and they have been eroded extensively and will almost certainly be the most common heavy mineral (particularly hematite and goethite) in offshore beach and river sands.

Although primary iron oxides in Ghana are rarely observed in significant concentrations in older bedrock deposits, they are very abundant accessory minerals in a great variety of volcanic and igneous rocks, as well as in many medium-to-high-grade metamorphic rocks ('greenstones') throughout southern Ghana. These include mainly magnetite and hematite, which are commonly found as heavy minerals in most alluvial deposits in southern Ghana, and it would be expected that an abundance of these same minerals will have been transported offshore.

Titanium and iron commonly occur together due to their similar geochemical characteristics. In many cases, they substitute for one another in some minerals, the most common one being ilmenite $[(\text{FeTi})_3\text{O}_4]$, which, like magnetite, is very magnetic. When the titanium content of magnetite is quite high, it is usually referred to as titaniferous magnetite. It would appear that much of the accessory iron found in mafic volcanics and intrusives in southern Ghana is actually quite titanium-rich, and some large mafic complexes observed in the southern part of the Ashanti belt contain coarse grains of ilmenite.

Some of these mafic (and ultramafic) complexes (for example, at Mpohor) look to be layered intrusions, and some of the layers are rich in ilmenite. There have also been a few reports of copper and nickel sulphides, along with anomalous platinum values, in mafic intrusions around Axim and Cape Three Points (Ashanti Belt). A similar occurrence was reported to be associated with a hornblendite further to the east along the coast at Winneba.

Rutile (TiO_2) is a minor but very common accessory mineral in many igneous and metamorphic rocks, such as true granites, pegmatites, mica schists, and gneisses, which are widespread throughout southern Ghana. Typically, rutile occurs as very fine-grained needles and gets concentrated in alluvial deposits along with other heavy minerals, although it is often fine-grained that it will be difficult to identify. Rutile and ilmenite are commonly observed in the heavy mineral concentrates from many rivers and streams in the Birim River Basin, where diamonds are abundant, especially in the Akwatia area, but also in the vicinity of Tarkwa. Rutile is also apparently quite abundant as a major accessory mineral in the high-grade metamorphic gneisses and schists (Pan-African) that are widespread in the SE corner of the country and almost certainly will be present in many of the sands transported via the Volta River system into the current offshore environment.

The Birimian-age sediments throughout West Africa and certainly in southern Ghana are characterized by quite widespread manganese-rich metasediments. The primary sources of manganese are mainly manganese carbonates and oxides, which, in some localities, were later metamorphosed into manganese-rich garnets. When exposed to extensive tropical weathering, these primary, bedrock deposits are transformed into laterites very rich in manganese, mainly in the form of pyrolusite (MnO_2) and manganite $[\text{MnO}(\text{OH})]$. Pyrolusite is fairly heavy but very soft and will not likely be concentrated in offshore deposits, but manganite is much harder and could be a significant constituent in some offshore beach sands derived from the nearby deposits on land.

One of the inland sources for manganese is located at Nsuta, just to the south of Tarkwa. This has probably been the longest-standing continuous manganese operation in the world; first discovered in 1914, it has now been in production for over 100 years, and it is still going very strong. At the very southern end of the Ashanti Belt, there are several similar but much smaller manganese oxide deposits on several of the flat-topped hills around Busua and Butre, very close to the present shoreline. This is a high rainfall area, and rivers originating in the nearby hills could have carried alluvial manganese debris into the offshore area, where it could be re-worked.

Diamonds

Although Ghana is not currently well known for its production of diamonds, in the early 1930s through to the early 1980s, Ghana was amongst the top few world producers; from the mid-60s to the mid-70s, the

annual production was close to 2.5 million carats. Unfortunately, virtually all of the Ghana production has been for relatively low-value industrial purposes, but in recent years, much of the reduced production appears to cater to the jewelry business in India.

The vast majority of Ghana's diamond production has come from the immediate vicinity of Akwatia, which is part of the Birim River Basin, a very large area of thick Birimian sediments of Paleoproterozoic age (2.1-2.2 billion years BP). The primary (bedrock) sources for the diamonds have been elusive; there are some potential ultramafic intrusives identified as possible 'conveyors' of diamonds from greater depths, and also some diamonds have been recovered from Birimian-age metasediments. However, the vast majority of diamonds have come from a large number of Quaternary alluvial deposits in secondary and tertiary stream channels within the Birim River valley, as well as from the Birim River itself, which is a major tributary of the Pra River.

A much smaller diamond 'field' occurs in tributaries of the Bonsa River, a major tributary of the Ankobra River, immediately south of Tarkwa. The diamonds from this area are very similar to those from Akwatia but cover a much smaller area.

The diamonds from offshore beach sands along the coast of Namibia and South Africa are amongst the highest quality in the world, and they have apparently travelled a very considerable distance down the ancestral Orange River from their distant inland sources. Although the Ghana diamonds are mainly quite low-quality, they are extensively distributed in areas close to the coast, and it is almost certain that a considerable quantity of alluvial diamonds has been carried down both the Pra and Ankobra rivers. In the right circumstances, these could have been re-concentrated in offshore beach and river sands.

Although important accessory minerals such as zircon, monazite, thorite, and rutile occur in a wide range of igneous and metamorphic rocks, their overall content in these primary sources is rarely above 1% and it is only the result of considerable concentration by weathering and transportation in rivers and re-working along coastlines that allows them to be recovered economically from beach sands. Most beach sands will probably average less than 5% total heavy minerals, although some may contain as much as 5-10%; quite rarely, and usually in quite isolated situations, the total amount of the heavy minerals in beach sands will reach 15+%. As noted above, the heavy minerals in beach and river sands are usually dominated by iron and titanium oxides, which are usually the primary economic minerals, and other constituents, such as zircon and monazite, are important by-products even though they may only comprise 1-2% of the beach sands.

There are several accessory minerals, which are resistant to chemical and physical weathering, and they are frequently concentrated in alluvial deposits on land and in offshore sediments. The most common and economically significant of these include rutile, zircon (ZrSiO_2), monazite $[(\text{Ce}, \text{La}, \text{Nd}, \text{Th})\text{PO}_4]$, and to a lesser degree, thorite $[(\text{Th}, \text{U})\text{SiO}_4]$. Zircon is the primary source for zirconium metal, which is an important, high-end niche market; monazite is a very important source for rare earth metals, which, in recent years, has seen much growth in modern technological applications and often has been in short supply. Thorite is a significant source of thorium, which is weakly radioactive and used in certain types of nuclear reactors, especially in India. These minerals are usually recovered as a by-product of other heavy mineral production (ilmenite and/or rutile) from beach sands.

Many of these are associated with granitic rocks, and in some cases, with closely related pegmatites. In some localities with high-grade metamorphic rocks, similar accessory minerals are quite common and can be found concentrated in residual weathered deposits, as well as in nearby alluvial stream deposits. Those stream deposits eventually make their way to the ocean, where they accumulate and become re-concentrated as a result of heavy wave action and long-shore currents. The result is extensive beach deposits, some re-worked into nearby dunes. Most of the world's production of these heavy minerals comes from beach or dune deposits in countries such as Australia, India, Sri Lanka, Vietnam, Brazil, southern and eastern Africa.

Many of these deposits are from older beaches when the sea level was considerably higher than today, and they are mined by traditional open-pit methods as well as by dredging in ponds.

Some granites and associated pegmatites are known to host a variety of important metals, often in accessory amounts but sometimes in significant concentrations. The most common of these would be 'tin granites' from which most of the world's tin resources have originated. Many of these primary resources have been weathered and eroded in a manner that has produced important alluvial resources that have been mined in many localities.

The famous tin fields of Nigeria are mainly alluvial deposits that were worked for decades. In recent years, the eastern DRC has seen many very similar alluvial tin mining operations on quite a massive scale. Even more significant alluvial tin deposits are mined extensively in SE Asia. This includes many areas along the coast of Malaysia where offshore tin dredging of old river channels and beach deposits has been ongoing for several decades, and this remains an important source of current tin production.

Unfortunately, the increased value of tantalum has stoked the ethnic violence in the Great Lakes region of East Africa, especially in the DRC, which is rich in tin, tungsten, and tantalum, most of which is recovered by hordes of artisanal miners, sometimes with the support of well-armed militia and rebel groups.

Ghana does not appear to host major 'tin granite' complexes, although some of the massive granites and associated swarms of pegmatites in the Cape Coast-Saltpond-Mankessim-Winneba area have a few known columbite-tantalum occurrences. One occurrence in the Akim-Oda area (Birim River Basin) was heavily prospected for tantalum. Streams in these areas will certainly contain some concentrations, and lagoon deposits close to Winneba apparently have anomalous levels of tantalum, along with tin and tungsten. Although it is unlikely that major offshore concentrations of tin or tantalum will be discovered along Ghana's continental shelf, there certainly could be some significant localized concentrations, especially of tantalite, which could be a possible by-product if other valuable heavy minerals are exploited.

The vast majority of pegmatites, especially in the coastal areas of Winneba and Mankwadze, have a relatively simple mineralogy that is dominated by coarse-grained quartz, feldspars, and mica (muscovite). However, some of the pegmatites have a more complex and exotic mixture of additional minerals that may include spodumene ($\text{LiAlSi}_2\text{O}_6$), beryl ($\text{Be}_3\text{Al}_2\text{Si}_6\text{O}_{18}$), and chrysoberyl (BeAl_2O_4); a number of coloured varieties of beryl are highly valued gemstones, including emerald, aquamarine, heliodor, and morganite. The different colours are due to the presence of minor metals such as Cr and Mn. Some of the pegmatites also contain coarse, elongate crystals of tourmaline, a very hard, complex hydrous silicate that usually contains a host of elements that give it a range of colours, some of which are prized as semi-precious gemstones. All of the above highlighted minerals are quite hard, and some are relatively heavy, and they should certainly be concentrated in nearby streams and along the beaches and one could reasonably expect to find concentrations of many of these minerals in older beach sands further offshore.

Lithium

In recent years, lithium has become a very sought-after metal because of its use in newly designed batteries suitable for electric vehicles. The growth in the demand for lithium has been meteoric, and lithium deposits have garnered intense attention all over the world. One important source of lithium is closely related to the development of granite pegmatite, and it turns out that the massive Cape Coast granite complex that is widely exposed in the central coastal area of Ghana includes a large adjacent area with lithium-bearing pegmatite. This includes a widespread lithium resource located very close to the coast, immediately north of Saltpond. Australian junior mining company, Atlantic Lithium, has reported substantive lithium resources of about 36.8 million tonnes with an average grade of 1.24% Li_2O (JORC) that are to be mined in the very near future.

It should be noted that the lithium resources in the Saltpond pegmatites are contained in the mineral spodumene ($\text{LiAlSi}_2\text{O}_6$), which contains about 8% lithium and is a hard mineral (6.5 to 7 on Moh's hardness scale) with an SG of about 3.2, very close to that of diamond. The considerable hardness of spodumene would likely result in it being concentrated once it is liberated from its host rock. The pegmatite occurrences between Winneba and Cape Coast cover a stretch of about 80 km right along the coast, and over time, a considerable amount of spodumene could well be contained in the nearby offshore sands and gravels.

Alluvial Sand and Gravel (Aggregate)

Sand and gravel deposits are critically important to modern societies because they are a primary building block in virtually all infrastructure projects, especially in the building of homes, highways, railways, airports, and anything else that needs concrete. Traditionally, sand and gravel come from active or paleo-alluvial deposits, but in their absence, they can be obtained by crushing bedrock mined from quarries. As noted earlier, in many countries, especially in densely populated countries like northern Europe, an increasing amount of aggregate is recovered from offshore sources along the perimeter of the North Sea. These sources are mainly old beach and river deposits from quite recent glacial periods, especially during the last Ice Age, which ended a mere 10,000 years ago when the sea level was as much as 100+m below current levels.

In recent years, the increased population and the continued urbanization of most countries have put immense pressure on traditional sources of aggregate, and in this regard, rapidly growing countries such as Ghana have struggled to provide adequate aggregate to meet their domestic needs. The result has been quite rampant degradation of surficial soil, sand, and gravel deposits, and widespread illegal 'sand winning' that devastates large areas of land close to the major urban areas. Offshore sand and gravel deposits along the coast of Ghana could be a convenient, economical, and environmentally sound source of aggregate for future growth in the country.

The presence of vast supplies of sand and gravel on a worldwide basis is largely taken for granted, much as some forest areas in the not-too-distant past were considered to be 'inexhaustible'. The vast forest reserves have dwindled dramatically and proven to be quite exhaustible. Such also seems to be the case for many types of sands as has been highlighted in an article by David Owen in the May 2017 issue of the US magazine "The New Yorker". Owen points out that common sands suitable for a variety of uses are in surprisingly short supply in places such as parts of the Middle East, Europe and North America where ones assume sand supplies are inexhaustible. Despite being a low-value bulk commodity, sand is indispensable to modern societies and will become even more valuable in the future.

It has long been known that some of the beach sands along the far western shoreline of Ghana (Nzima/Half-Assini districts) are very rich in silica and were evaluated over 40 years ago as part of an effort to establish an iron and steel foundry in Ghana. Silica sand is one of the critical raw materials needed to produce steel, and samples of sand from the Eikwe area on the coast indicated the sands were close to 99% pure silica (SiO_2). This region has large resources of such quite pure quartz sands that no doubt extends well into the offshore region.

These silica sands could be suitable for numerous industrial purposes (refractory bricks, foundry molds, floor tiles, and Portland cement), although they are a little distant from major existing markets in Ghana. This could change quickly if the Ghana offshore gas supplies can be used to establish a variety of new industries that can utilize local raw materials, such as silica sands, to produce value-added products for the local market and for export from the nearby port in Takoradi. It is also very possible that some of the silica-rich sands along the far western coastline of Ghana could contain a small but economically significant amount of heavy minerals, and these areas should be tested systematically.

There can be little doubt that the offshore areas of Ghana will certainly host a variety of sand and gravel deposits. These will mainly be associated with many of the major current rivers (Tano, Ankobra, Pra, and Volta) that would have dumped massive amounts of sediments on old shorelines, which would be re-worked into beach sands along the coast. In addition, many of the much smaller rivers would have had sufficient energy to carry their bedload material well out into the current offshore areas. Although most of this material would have been fine clay, silt, and sand, it is also likely that pebbles and cobbles of durable bedrock (granites, volcanics, quartz veins, quartzites, siliceous sandstones, etc.) would be included as well, perhaps in close association with a variety of heavy minerals. Such deposits could be quite extensive and have considerable economic value.

It can be noted that virtually all of the inland alluvial gold and diamond deposits share many common features. Most of them occur in basal gravels (clay, silt, sand, pebble, cobble, and sometimes boulder-sized clasts) sitting on highly weathered bedrock, and they were all re-worked at a period that seems to coincide with the ending of the last ice age, approximately 10,000 +/- yrs BP. Evidence from sediments in Lake Bosumtwi suggests that there was a fairly dramatic climate change in the region at this time from mainly relatively dry, savannah to very wet, equatorial conditions.

The rivers in southern Ghana were under very high-energy conditions on a sustained basis for a considerable period of time. Erosion throughout the region was extensive, and it introduced vast amounts of gold and, in some localities (Birim River), diamonds into the river systems, as well as an abundance of other heavy minerals contained in a massive bedload of clay, silt, sand, and gravel. At such time, the shoreline was out towards the edge of the present continental shelf, and all the rivers along the coast must have been depositing large amounts of sediment in marine deltas, which would get re-worked by coastal waves and currents into beach deposits.

As the continental glaciers melted away and the sea level rose, some of the beach sands could migrate towards the retreating shoreline, but much would probably be left behind. Old river channels would be filled with sediment from nearby beach sands; new deltas and beaches would be formed along the shoreline. During monsoon seasons, coarser and heavier fractions of sediment would be flushed down the rivers to the new shorelines, where they would be re-worked into beach deposits along the shore.

In assessing what types of offshore deposits and where they will be found along the coast of Ghana, it is useful to look at other coastal regions and the types of occurrences found elsewhere.

Sierra Leone has had a longstanding marine sand dredging operation that is a huge supplier of rutile for the pigment industry. It occurs in sands within quite shallow marine waters and apparently not far from the inland primary sources of rutile exposed in nearby rivers. The rutile market is very large, and 'standard' rutile concentrates, used primarily as a whitener pigment in the paint, paper, and plastic industries, are valued at around +1500\$USD/tonne.

Ilmenite-rich beach sands are being mined in many near-shore inland and a few offshore localities in Australia, southern and eastern Africa, India, Sri Lanka, Brazil, etc. For the most part, these operations will have an ilmenite content of less than 5% and are generally mined on a very large scale to reduce unit costs. In some exceptional cases, such as at Avannaata in Greenland and Louga in Senegal, onshore and offshore beach sands contain up to about 10% ilmenite in very substantive amounts, and they will need these high grades because of the challenging environment.

There is also a major existing ilmenite beach sand operation at Grand Cote along the northern coast of Senegal, where huge reserves of mineral sands occur along the coastline over a distance of 160 km. This is an onshore dredging operation that is owned jointly by an Australian mineral resource group and a French company (Eramet) specializing in the production of alloy metals; the dredging operation processes 50Mt/yr of sand from which it extracts about 570,000 tonnes of ilmenite concentrate, 85,000 tonnes of zircon

concentrate, and another 15,000 tonnes of rutile. The ilmenite is shipped to Norway, where it is further processed to produce TiO₂ for pigment and pig iron for steel foundries.

The Grand Cote deposits are exactly the type that one could find offshore Ghana. It would seem the most likely locality for such deposits would be from beach sands derived from rivers draining the Ashanti greenstone belt. This belt includes considerable mafic volcanics and intrusives, along with some ultramafic complexes that are excellent sources of Ti and Fe oxides. The potential for significant by-product zircon and rutile is also possible in the same sands, as there are extensive intermediate and some granitoids in the Ashanti belt, as well as many metasediments, including extensive Tarkwaian clastics with substantive heavy mineral content.

One can also expect to find significant accessory gold in beach sediments derived from the Ashanti belt. As noted previously, this can be inferred by estimating the amount of gold potentially eroded in the major gold districts with what is currently contained within or mined from the river systems in SW Ghana. In fact, there may not be a better-known area in the world with as many world-class gold districts in such a confined area as SW Ghana that is so close to the coastline. As noted earlier, the limited work carried out by Marine Mining at the mouths of the Ankobra and Pra rivers did confirm a variety of types of gold occurrences in beach sands close to the existing shoreline. Some of the values are very anomalous, many in the range 50-500+ppb.

It should be noted that current hydrographic conditions of the rivers and shorelines in SW Ghana will be far more passive than the conditions prevailing approximately 10,000 years ago, when virtually all of the raging inland rivers of SW Ghana were reworking the alluvial gold deposits throughout the region, and the erosion of bedrock at the time was far more severe than at present. Such conditions could be ideal to concentrate gold and, of course, other heavy minerals in beach sands along the ancestral coastline.

Most of the mineral sand projects, on land and offshore, recover heavy mineral concentrates that will be comprised of about 50+% of iron oxides, mainly hematite and magnetite. Very few of these operations recover the iron oxides as they are low-value bulk commodities, and they cannot justify the transportation to iron ore processing facilities. There are very large resources of Fe and Ti-rich mineral sands in several locations around New Zealand, and several companies have been trying to develop them on a commercial scale with a view to selling concentrates to steel or titanium oxide producers, mainly in the Asian markets. Other groups want to use the Fe-rich offshore sands as feedstock for domestic steel-making.

Some of the New Zealand offshore mineral sands contain significant accessory gold. Back in the 1980s, when the gold price was on a steep upward trajectory, offshore exploration identified a considerable resource that graded about 200ppb/m³ of gold, but it was not considered economic at the time. At current gold prices, 200ppb/m³ would be potentially economic on a stand-alone basis if the production rate was sufficiently high and the resource was in excess of 100 million/m³. It would certainly be a major bonus if it were a by-product of an iron oxide, ilmenite, rutile, or zircon operation.

The potential to utilize both the offshore iron and titanium oxides in Ghana would increase dramatically if further upgrading facilities were available on land nearby. Magnetite and hematite concentrates could be very effectively used in a steel or pig iron production facility, whereas upgrading ilmenite would produce titanium oxide for pigments and pig iron by-product for steel mills. It has long been the hope of successive governments since Ghana's independence in 1957 to establish a major domestic steel industry, and the current plans to maximize offshore gas to stimulate more value-added industrial activity could help make this much more possible.

Although some small-scale steel-making facilities, mainly using scrap metal, are operating in the Tema industrial complex, none are utilizing primary inputs from domestic resources. Certainly, most of the raw material for a steel-making industry is available in Ghana, and offshore iron and titanium sands could

become an important feedstock for this industry. Furthermore, even very minor amounts of by-product gold (probably in the range 50-200ppb/m³) would result in quite significant gold production. As an example, a 31 million cubic meters/yr dredging operation (about 45 M tonnes/yr) with an average recovered grade of 100ppb/m³ Au would yield almost 100,000ozs/yr, with a gross value at current prices of over 100 million USD.

The beach sands derived from sediments deposited on the coast by the Pra River have the potential to concentrate quite a variety of heavy minerals. The catchment area of this river also covers 'greenstone geology', so it may well have considerable iron and titanium oxides, along with some minor accessory gold, as the drainage basin includes several significant gold districts. The huge Cape Coast granitic and pegmatitic intrusive complex is very widespread within the drainage basin and collectively could supply considerable rutile, zircon, and monazite, along with an array of specialized metals (Li, Ta, Sn, W) and even a few precious and semi-precious gemstones.

As noted earlier, the Birim River basin contains a large resource of mainly industrial diamonds, and the very high energy conditions of the Pra/Birim rivers following the end of the last ice-age almost certainly resulted in a very considerable quantity of diamonds being washed offshore. Since diamonds are relatively light (SG of 3.5), they would not necessarily be found with an abundance of heavier minerals but could be concentrated in separate strands or pockets of beach sand. They will probably occur in the offshore area between Shama and Winneba. It is quite possible that within this offshore sector, many small, isolated offshore sand deposits with concentrations of diamonds could be discovered in relatively shallow waters. These could be accessible to smaller suction-dredge operators similar to the 'fleets' of small vessels that currently recover diamonds in shallow waters along the west coast of South Africa, south of the Orange River.

In the offshore area just west of Accra, all the way to the Togo border, the mineral sands may well contain a considerable amount of rutile from the metamorphic rocks, but there should also be a wide range of metamorphic minerals, especially garnets that may be in sufficient quantity to be recovered and sold as an abrasive. There may also be some concentrations of other metamorphic aluminum silicates (andalusite, kyanite, and sillimanite) that could be recovered and used for refractory purposes.

At the far western end of Ghana's coastline, the Half-Assini area can certainly be expected to host substantial volumes of very quartz-rich sands. These could be of considerable commercial value (for concrete, tiles, and glass products) if they were close to large urban areas or if they could be used in value-added products from new industries that may take advantage of low-cost gas from nearby offshore production. One can note that the Half-Assini area is only about 100 km from Abidjan, the capital of Côte d'Ivoire, which has a big population, a major port, and a large industrial base.

In the far western corner of the country, the Tano River drainage basin features abundant greenstones and metasediments, a few large granites, as well as two major gold districts. Thus, sediments derived from this terrane could certainly include a wide range of potentially important heavy minerals, which, along with fairly pure quartz sands, could well be of commercial value.

The continental shelf area of Ghana is likely to host a very wide range of sands and gravel containing a great variety of heavy minerals in a wide range of concentrations. It can be reasonably expected that very large volumes of offshore sand and gravel will occur in many deposits right along the entire coast of Ghana. Some of these deposits, especially ones close to the big urban markets, may be significant on a stand-alone basis and may not contain important accessory heavy minerals of commercial interest. At the other end of the spectrum, it is also very possible that substantive concentrations of a variety of heavy minerals of commercial interest will be discovered with little potential for aggregate.

Exploration

The Target has not conducted any exploration on the Project.

The following summarizes the exploration techniques proposed by the Technical Report Author on the Project.

Satellite Imagery and Airborne Magnetic Survey

The initial exploration work will combine a number of different techniques to assist in locating concentrations of heavy minerals along the continental shelf. Multibeam satellite imagery will be first utilized to get an overview of the Project. This will be followed by an airborne magnetic survey on a broad-scale line spacing of 800-1,000 m and covering the entire 10,000 km² area of the Project. The Technical Report Author expects that the magnetic survey will identify magnetic anomalies caused by concentrations of magnetite and ilmenite that are highly magnetic.

The purpose of the airborne magnetic survey is to quickly identify traces of paleo-channels of the three main rivers (Tano, Ankobra, and Pra) across the continental shelf. It is also expected by the Technical Report Author that the magnetic survey will recognize concentrations of heavy minerals in beach sands that have been subjected to powerful longshore currents, which will increase the concentration of valuable heavy minerals (gold) in the beach sands. The magnetic anomalies in paleo channels and beach sands will be reserved for more detailed analysis by closely spaced marine surveys using a number of different techniques.

GoldCoast has retained the services of AI Geointelligence Corporation ("**AiGeo**") of Denver, Colorado, to conduct an airborne passive electromagnetic survey, known as MobileMT, over the entirety of the Project.

Airborne Magnetic Gradiometer Survey

AiGeo was contracted by GoldCoast to complete a high-resolution airborne magnetic gradiometer survey over the Project. The primary objective of the survey was to acquire high-quality magnetic data capable of supporting the interpretation of offshore geological structures, basement architecture, paleo-drainage systems, and potential mineral-bearing depositional environments. Particular emphasis was placed on identifying buried paleo-channels, structural controls, sediment traps, and other geological features that may influence the concentration and preservation of offshore placer gold and associated heavy mineral deposits.

Data acquisition commenced on May 8, 2026 and is scheduled for completion on June 30, 2026. Survey operations were conducted from Takoradi Airport, Ghana utilizing a specially modified Cessna 208B Grand Caravan (N86RF) operated by Revolution Flight LLC. The survey was flown using a high-resolution horizontal magnetic gradiometer configuration consisting of three Scintrex CS-3 cesium vapor magnetometers installed in a tail stinger and wingtip pod configuration. As of June 19, 2026, a total of 70 production sorties have been completed and 43,708 line kilometers have been acquired from a planned total of 45,361 line kilometers, representing approximately 98.6% completion of the overall survey.

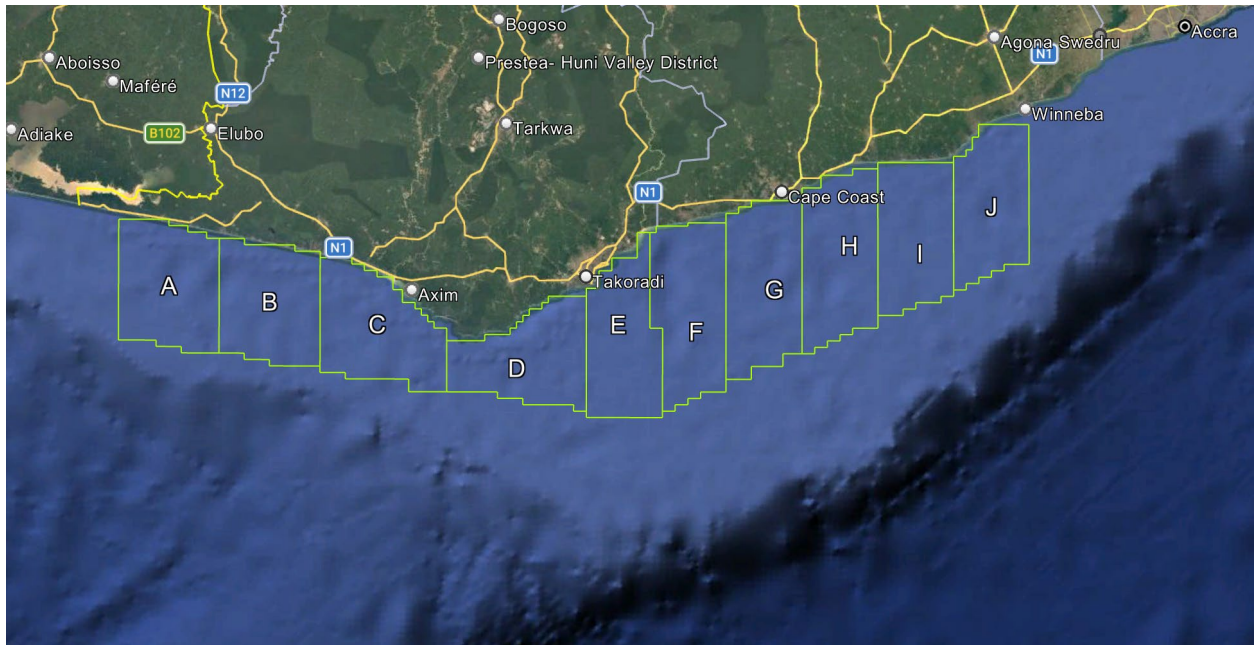


Figure 9-1-1: Regional Location Map showing the offshore Ghana survey area relative to Takoradi, Cape Coast, major river systems, and known gold-producing regions.

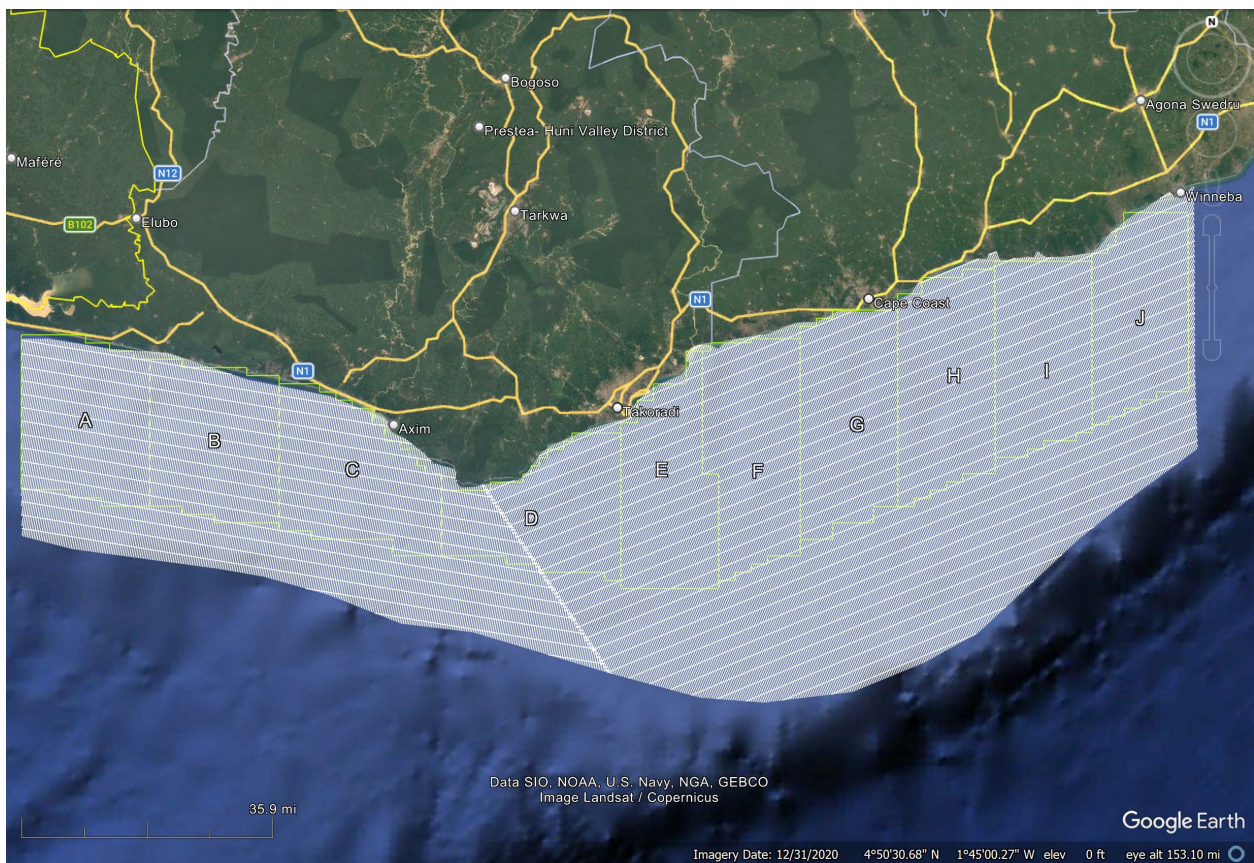


Figure 9-1-2: Survey Block Layout and Flight Line Plan showing Block 1, Block 2, traverse lines, tie lines, and overall survey coverage.

Survey Specifications and Acquisition Parameters

The survey was designed to provide regional-scale magnetic coverage of the offshore Ghana continental shelf while maintaining sufficient spatial resolution to image subtle geological and depositional features. Traverse lines were flown at 400-meter spacing with control tie lines spaced at 3,000 meters. Survey flying was conducted at a nominal terrain clearance of approximately 30 meters above sea level, maximizing signal resolution while maintaining safe operating margins.

The survey area extends along the Ghanaian coastline from west of Axim through Takoradi and eastward toward Cape Coast, encompassing approximately 15,000 km² of offshore prospective ground. The survey design was specifically optimized to intersect interpreted paleo-drainage systems, offshore sediment transport pathways, and structural trends believed to influence heavy mineral deposition.

The acquisition program was completed using a horizontal magnetic gradiometer configuration capable of simultaneously collecting total magnetic field data and measured horizontal magnetic gradient data. This configuration significantly enhances the detection of subtle magnetic boundaries, shallow geological features, and linear structures that may be difficult to resolve using conventional single-sensor magnetic systems.



Figure 9-1-3: Detailed Flight Line Map displaying completed survey coverage.

Item	Status
Total Planned Line Kilometers	43,361 km
Total Acquired Line Kilometers ⁽¹⁾	43,708 km
Survey Completion ⁽¹⁾	98.6%
Total Stories Flown ⁽¹⁾	70
Block 1 Acquisition	Complete
Block 2 Acquisition ⁽¹⁾	98% Complete
Block 1 Processing	Commenced June 19, 2026
Block 1 Processed Data ⁽²⁾	3 Weeks

Block 1 Interim Interpretation ⁽²⁾	2 Weeks Following Processing
Block 2 Processing ⁽³⁾	6 Weeks Following Acquisition Completion
Block 2 Interpretation Delivery ⁽³⁾	6 Weeks Following Processing Completion

Notes:

- (1) As of June 19, 2026.
- (2) The processing, interpretation, and completion timelines set out above (including those in Table 9-1) are estimates only and are based on information available as of June 19, 2026. Actual timelines may differ materially as a result of factors including, but not limited to, data quality and the extent of reprocessing or re-flying required and weather and operational conditions.

Table 9-1: Survey Acquisition Summary.

Survey Equipment and Methodology

Data acquisition was performed using a modified Cessna 208 Caravan configured specifically for airborne geophysical surveying. The aircraft was equipped with three high-sensitivity Scintrex CS-3 cesium vapor magnetometers installed within wingtip pods and an extended fiberglass tail stinger. This configuration provided simultaneous acquisition of total magnetic intensity and measured horizontal magnetic gradient data while minimizing aircraft magnetic interference.

Aircraft magnetic effects are continuously monitored and compensated using a Billingsley TFM100-LN tri-axial fluxgate magnetometer mounted within the tail stinger assembly. Navigation and positioning are controlled using an AG-NAV LiNav P151 navigation system integrated with differential GPS receivers capable of sub-meter positional accuracy following post-processing. Radar and barometric altimeters provided continuous terrain clearance measurements throughout the survey.

A dedicated magnetic base station equipped with a Scintrex CS-2 cesium vapor magnetometer was operated continuously during survey operations to record temporal variations in the Earth's magnetic field. These measurements form a critical component of the data correction process and ensure all airborne observations are referenced to a consistent magnetic baseline.

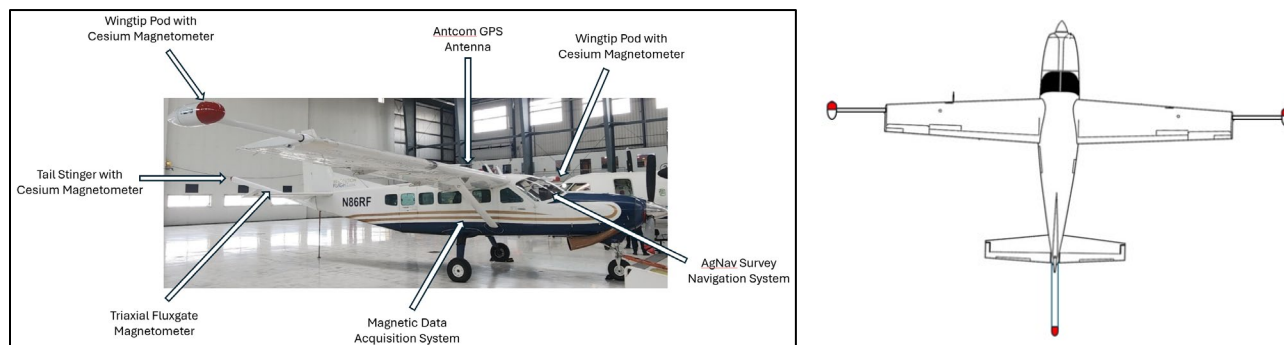


Figure 9-1-4: Survey Aircraft N86RF showing tail stinger and wingtip magnetometer installations.

Survey Objectives

The airborne magnetic gradiometer survey was designed to evaluate the geological framework of the offshore Ghana continental shelf and to identify buried geomorphic features that may represent favorable environments for placer gold accumulation. Prior to survey commencement, AiGeo completed a detailed forward magnetic modeling study to determine whether the anticipated target geometries could be detected using high-resolution airborne magnetic data.

The study evaluated two primary exploration concepts: paleo-shoreline ridge and scarp systems, and paleo-channel systems incised into Birimian basement lithologies. These features are considered highly

prospective because they represent natural sediment traps where hydraulic sorting processes may have concentrated gold and associated heavy minerals during periods of lower sea level. The modeling demonstrated that magnetic susceptibility contrasts between Birimian basement rocks and overlying marine sediments should generate detectable TMI and THG responses that can be mapped using airborne magnetic methods.

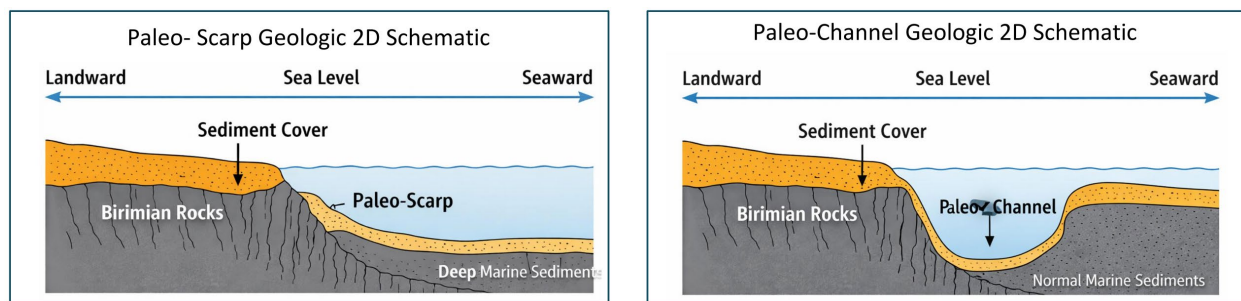


Figure 9-1-5: Regional geological setting showing Birimian source terranes and offshore sediment transport pathways.

The survey was designed as a regional magnetic mapping exercise, and as a targeted exploration program intended to identify buried paleo-landscape features capable of hosting economically significant placer gold accumulations.

Unit	Susceptibility (SI)	Expected TMI anomaly ranges	Expected THG anomaly ranges
Birimian Mafic volcanics, greenstones	0.005-0.05	20-80 nT	.20-.8 nT/m
Birimian Granitoids	.0005-.005	8 to 30 nT	.08 to .3 nT/m
Birimian Metasediments/Felsic rocks	.0001-.001	2-12 nT	.02-.12 nT/m
Placer sands	0.00002-0.0002	1-6 nT * secondary response	.02-.07 nT/m* secondary "tick"
Offshore Sediments (marine sands, silts, clays, non-placer quartz sands)	.00001-.0001	NA	NA

Table 9-1-2: 2D Forward Model Parameters, Susceptibility Values & Expected Magnetic Responses

Interpretation Methodology

Interpretation of the airborne magnetic survey is guided by the exploration model established during the pre-survey forward modeling study. The modeling demonstrated that the primary detection mechanism is not direct detection of gold mineralization itself, but rather identification of the geological and geomorphological traps in which placer gold is likely to accumulate.

The modeling study theorized that buried paleo-shoreline scarps and paleo-channel systems should produce characteristic magnetic signatures resulting from contrasts between magnetic Birimian basement rocks and weakly magnetic marine sediment cover. These signatures are expected to manifest as magnetic lows within TMI datasets accompanied by distinct edge responses visible within THG products. The resulting magnetic response should allow the geometry, lateral extent, and structural setting of buried depositional environments to be mapped with a reasonable degree of confidence.

The interpretation of the collected data will focus on the identification of:

- Buried paleo-shorelines and shoreline scarps;
- Incised paleo-channel systems;
- Basement highs and basement lows;

- Structural corridors controlling sediment transport;
- Accommodation space favorable for sediment accumulation;
- Potential heavy mineral concentration zones;
- Areas where multiple favorable criteria coincide.

Particular emphasis is placed on magnetic edge-detection products including Horizontal Gradient, Analytic Signal, and Tilt Derivative maps. These products are expected to provide an expression of basement topography and the margins of buried geomorphic features.

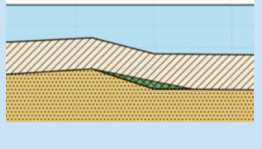
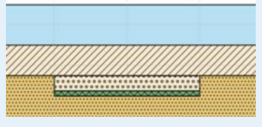
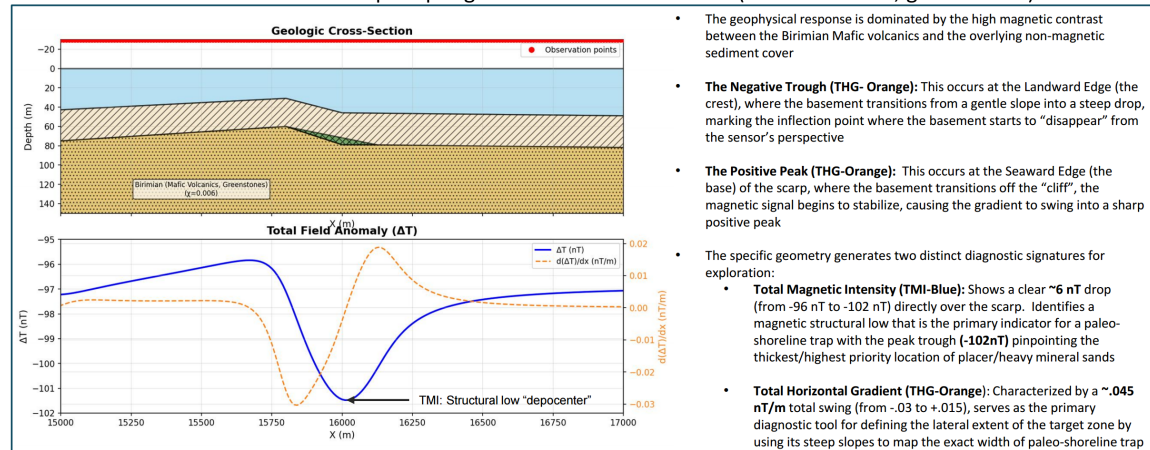
Exploration Target	Geometry	2D Schematic Model
Paleo Shoreline Ridge Scarp Trap	Water Depth 30-60 m Burial depth to top: 15-40 m below seabed (25 m base value) Sediment cover: 25 m (same as base value above) Total Thickness: 5-20 m (12 m base value) Total Width 500-2000m (1000 m base value) Length (strike extent) 2-50 km (5-20 km base value) Scarp Face Slope 8-15 degrees seaward dip Placer Concentration zone thickness 2-8 m (4 m base value)	
Paleo Channel	Water Depth 30-60 m Burial depth to top: 15-40 m below seabed (30 m base value) Channel Depth (incision) 10-40 m (20 m base value) Channel Width 200-1000m (500 m base value) Channel fill thickness = (20 m) channel depth (incision) Placer zone thickness 2- 8 m (5 m at bottom)	

Figure 9-1-6: Conceptual Paleo-Shoreline and Paleo-Channel Exploration Model (from feasibility study).

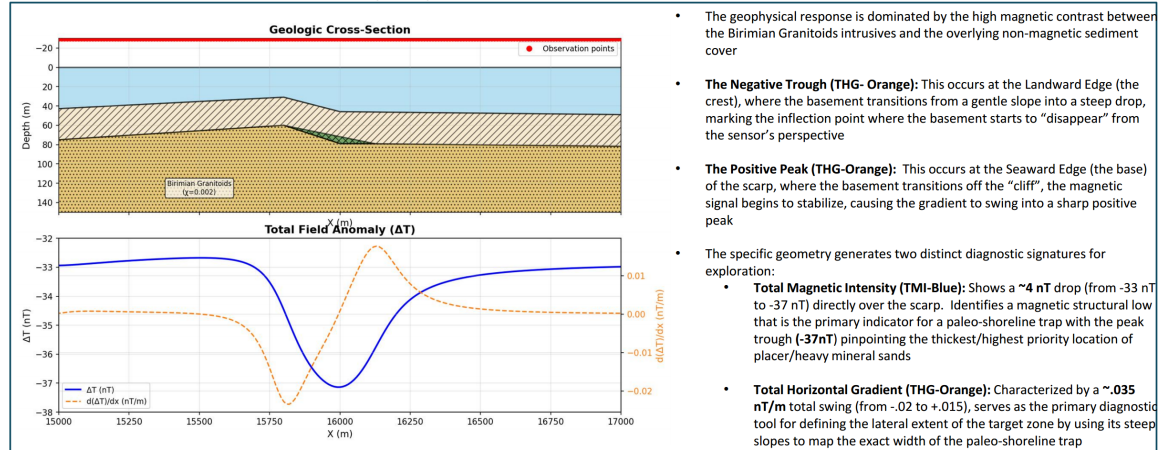
Modeled Target Geometries

- Results: Paleo Shoreline Scarp Trap High side- Birimian Basement (Mafic volcanics, greenstones)



Modeled Target Geometries

- Results: Paleo Shoreline Scarp Trap Base Case-Mid side- Birimian Granitoids (Intrusives)



Modeled Target Geometries

- Results: Paleo Shoreline Scarp Trap Low Side- Birimian Felsic Rocks (Metasediments, Felsic extrusives)

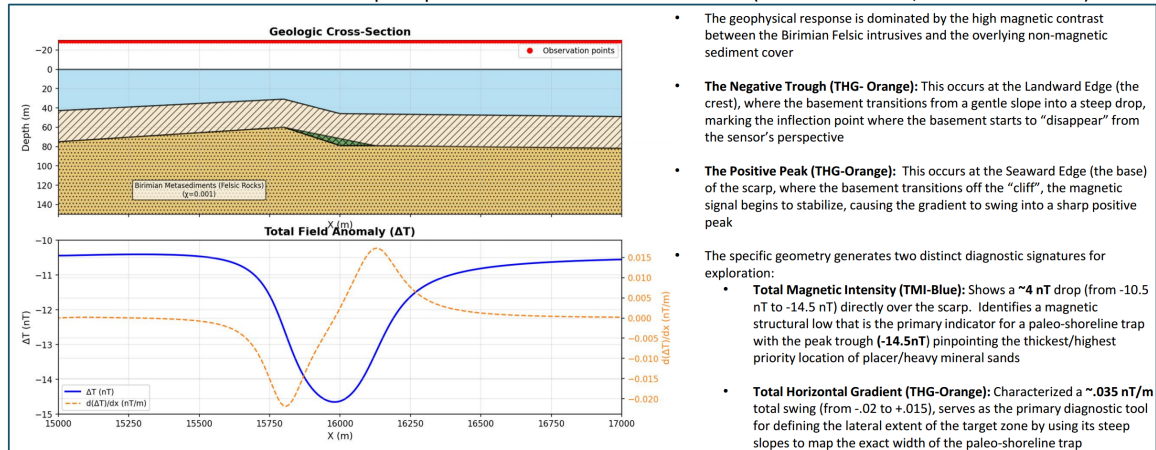
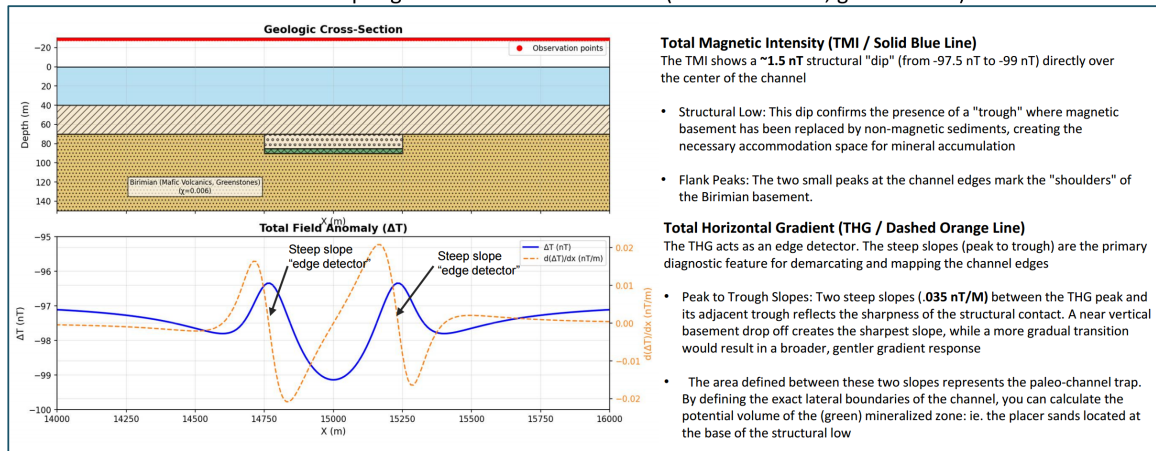


Figure 9-1-7: Paleo-shoreline scarp conceptual magnetic response model.

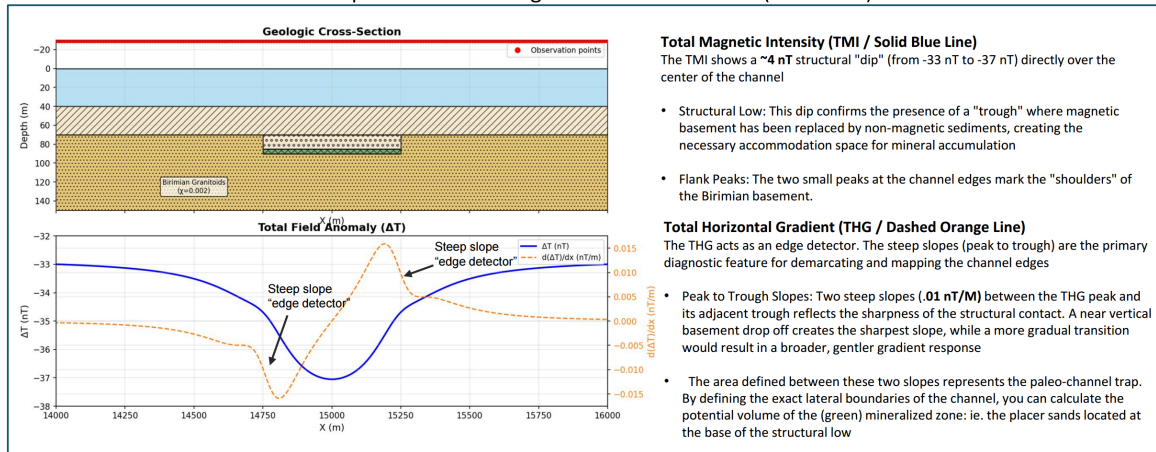
Modeled Target Geometries

- Results: Paleo Channel Trap High side- Birimian Basement (Mafic Volcanics, greenstones)



Modeled Target Geometries

- Results: Paleo Channel Trap Base Case Average- Birimian Granitoids (Intrusives)



Modeled Target Geometries

- Results: Paleo Channel Trap Low side- Birimian Felsic Rocks (Metasediments, Felsic Extrusives)

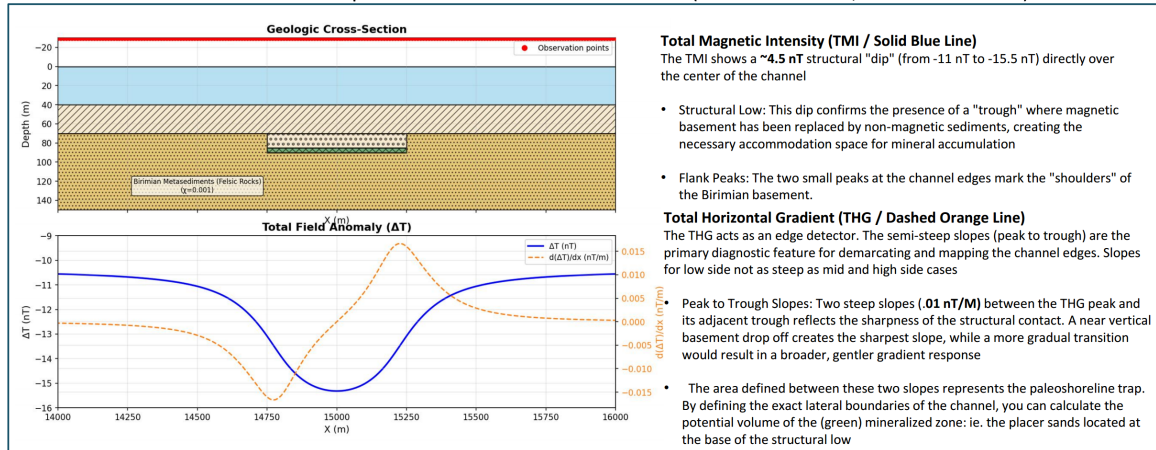


Figure 9-1-8: Paleo-shoreline channel conceptual magnetic response model.

Data Processing Methodology

Raw airborne magnetic measurements contain numerous non-geological signals including aircraft-induced magnetic effects, temporal magnetic field variations, navigation uncertainties, sensor timing offsets, and regional magnetic field contributions. Consequently, extensive processing is required before the underlying geological signal can be isolated and interpreted.

Processing of collected data from Block 1 commenced on June 19, 2026. The processing workflow includes quality control review, spike removal, lag correction, heading correction, aircraft magnetic compensation, diurnal correction, International Geomagnetic Reference Field (IGRF) removal, tie-line leveling, micro-leveling, gridding, and generation of derivative products.

IGRF removal, where the regional magnetic field is separated from the measured data, allows the local geological response to emerge. Subsequent leveling and micro-leveling eliminate line-to-line discrepancies and produce coherent datasets suitable for professional interpretation.

The final processing stage involves the generation of advanced enhancement products including TMI, Residual Magnetic Intensity, Horizontal Magnetic Gradient, First Vertical Derivative, Analytic Signal, Tilt

Derivative, and additional structural enhancement products. The data set out above as designed to improve the visibility of geological contacts, faults, basement structures, and sedimentary features.

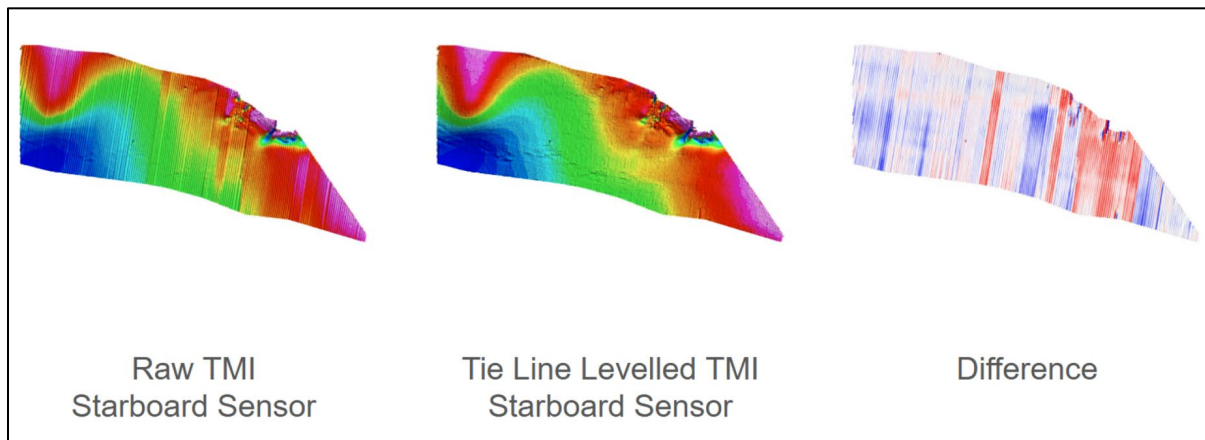


Figure 9-1-9: Example illustrating the progression from Raw Data to Leveled Data.

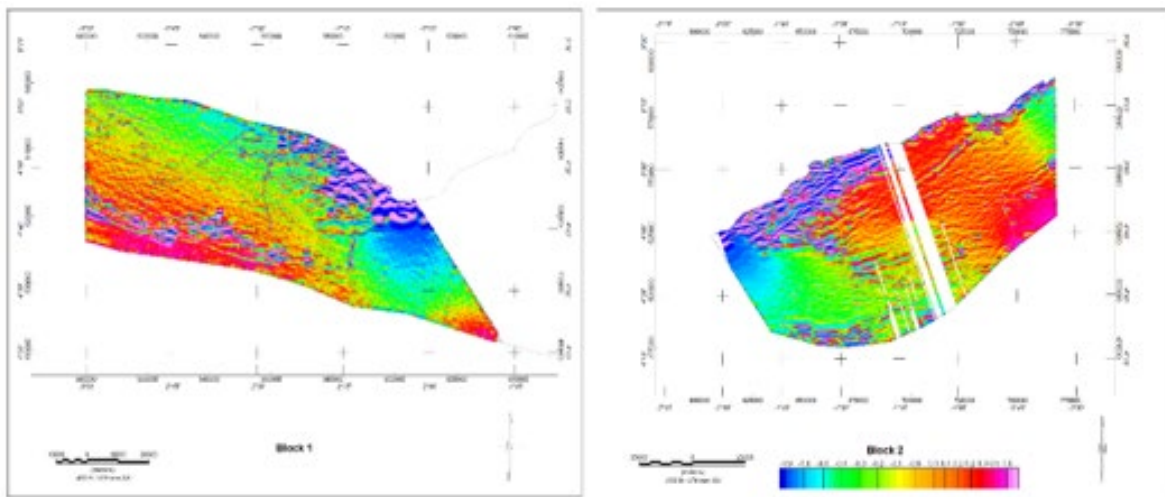


Figure 9-1-10: Residual Magnetic Intensity Map.

Geological Significance and Exploration Implications

Forward modeling completed prior to data acquisition demonstrated that the selected survey parameters are capable of resolving the anticipated placer gold target geometries. The study concluded that maintaining a low survey altitude of approximately 30 metres above sea level was critical for successful detection of buried paleo-shorelines and paleo-channel systems. Modeling indicated that reducing sensor altitude from 100 metres to 30 metres increases anomaly amplitudes by approximately three to five times while improving spatial resolution by more than sixty percent. This improvement substantially increases the probability of detecting narrow placer trap geometries typically ranging from 100 to 300 metres in width.

The modeling survey further demonstrated that paleo-shoreline scarps developed within mafic Birimian basement environments may produce TMI anomalies of up to 12 nT and THG responses exceeding 0.15 nT/m. Similar target geometries hosted within granitoid or felsic basement environments are predicted to produce lower amplitude but still readily detectable responses. These results demonstrate that the survey design is capable of identifying placer gold trap geometries across the range of basement lithologies anticipated within the project area.

A key conclusion of the modeling is that the most prospective exploration targets are expected to exhibit a combination of characteristics, including:

- Distinct magnetic structural lows interpreted as accommodation space;
- Sharp magnetic gradient boundaries corresponding to basement escarpments;
- Linear or curvilinear geomorphological patterns consistent with paleo-shorelines;
- Incised channel geometries visible within derivative products;
- Spatial association with known sediment transport pathways from Birimian source terranes.

The resulting interpretation framework provides a mechanism for ranking exploration targets and prioritizing areas for subsequent Phase II investigations including high-resolution bathymetric surveys, Chirp seismic profiling, vibracore sampling, grab sampling, and detailed geological evaluation. The integration of magnetic data, bathymetry, and sedimentological information is expected to reduce exploration risk by focusing follow-up programs on areas exhibiting the strongest geological evidence for placer gold accumulation.

Processing of Raw Data

As of June 19, 2026, processing of Block 1 data has commenced and preliminary quality assessments indicate that the survey has successfully acquired high-quality magnetic gradiometer data with coverage across the project area. The data currently available remains largely in its raw form. Raw magnetic data contains numerous non-geological effects and does not adequately represent the underlying geological framework until the full processing workflow, quality control procedures, leveling, micro-leveling, and derivative generation have been completed.

Processing of the data acquired from Block 1 is expected to take approximately three weeks with interim interpretation by the Company being completed in approximately two weeks thereafter.

As of June 19, 2026, acquiring the data for Block 2 data is approximately 98% completed. Once the acquisition of the data is completed, processing of the data acquired from Block 2 is expected to take approximately 6 weeks. Interpretation of the data is expected to be completed approximately six weeks thereafter.

Marine Surveying

The marine survey will focus on large anomalies, initially on line spacings of over 200 – 400 m, and various techniques will be utilized to characterize the image of the sea-floor and the sea-floor sediments. The techniques will include echo sounding, multi-beam sonar, side-scan sonar, and marine magnetometer surveys in selected locations.

The echo sounding will map the surface of the sea-floor, a side-scanning sonar system will penetrate the sediments on the sea-floor, and a very sensitive magnetometer will detect minerals with a high magnetic susceptibility that are expected to be concentrated in some of the old beach deposits and river channels, especially those associated with the ancestral Tano, Ankobra, and Pra rivers. As noted above, at one time, these rivers extended well out into the present continental shelf, as per an earlier schematic cartoon of projected targets.

The Technical Report Author believes that the survey will provide an excellent digital terrain model of the sea-floor and of the location, approximate thickness, and general characteristics of unconsolidated sediments sitting on the older, underlying sediments that will be much more indurated. The magnetic susceptibility of the unconsolidated sediments will also be measured in order to identify anomalous values

that should indicate the presence of heavy minerals.

The Technical Report Author expects that this information will provide considerable information on potential targets that will hopefully define the course of the major ancestral rivers along the coast and the sediments in the delta where the former rivers have discharged their bed-load. Importantly, it is also expected by the Technical Report Author that old beach sands along the former coastlines will be identified by their surficial profile, elongate form, associated heavy minerals, and sonar profiles.

Seismic surveys would also be employed to image subsurface geological structures.

Initial Sampling

It is anticipated by the Technical Report Author that once old river channels and remnant beach deposits are identified and prioritized, initial sampling of the deposits will be carried out. In shallow waters, up to depths of about 40 m, professional divers will be able to take hand and/or auger samples of sediments on the sea-floor. In deeper waters, mechanical methods will be utilized to obtain samples. This would include dropping a heavily weighted and guided drill rod into the sediment, withdrawing the rod with a winch, and recovering the material from a tube within the drill rod. This type of sampling is not expected to penetrate more than 2-3 m into the sediment, so it is mainly used in early-stage sampling in order to get an initial indication of the nature of the sediments very close to the sea-floor surface and their contained heavy minerals.

Much deeper penetration (10+m) can be achieved with sonic drilling, which involves a vibrating drill rod that displaces loose particles as it descends through unconsolidated material. It contains a plastic inner tube and a core catcher that prevents the loose core from falling out. This method is widely used in offshore sampling and provides a largely unaltered sample of the unconsolidated sediment that will then be studied to determine the mineral content and the sedimentary characteristics, including the amount and nature of the heavy minerals.

Bulk Sampling

Bulk samples will be required in order to get a more accurate estimate of the heavy mineral content of the sediments, as well as an assessment of the aggregate potential of the sediment. This can be achieved by using clam shells that will take samples of 10+kgs; several such samples can be taken in proximity to provide a good average bulk sample. Larger samples can also be taken by air-lift suction dredges that can manage to take samples from water depths of 100+m through a heavy-duty flexible metal pipe.

Once potential commercial targets are identified, an estimate of the resource potential of each target will be undertaken by more systematic drilling, and more bulk samples of 20+kgs would be carried out in subsequent work.

Drilling

The Target has not conducted any drilling campaigns on the Project.

Data Verification

It is the opinion of the Technical Report Author that there has been no significant work completed on the Project, and, accordingly, there has been no change to the geological understanding of the Project. Therefore, no samples were taken by the Technical Report Author during the site visit for verification of mineralization.

The Technical Report Author has reviewed and analyzed data provided by the Target as well as publicly

available assessment reports by previous workers on or in the vicinity of the Project. The Technical Report Author has taken reasonable steps to verify the information where possible.

Some relevant information on the Project presented in the Technical Report is based on data derived from reports written by geologists and/or engineers who may or may not have been "qualified persons" (as defined in NI 43-101). The Technical Report Author has made every attempt to accurately evaluate and convey the content of those reports, and the Technical Report Author believes that the reports were written with the objective of presenting the results of the work performed, without any promotional or misleading intents. It is the Technical Report Author's opinion the historic information and other data provided are reasonable and of sufficient quality to support the conclusions and recommendations reached in the Technical Report.

The Technical Report Author has reviewed the agreement between the Target and AI Geointelligence Corporation, the contractor completing the airborne survey, including the provisions relating to: tests and calibration; quality control program; and data processing. The Technical Report Author has determined that the agreement contains provisions that ensure that the data that is collected will be reliable and suitable for geological interpretation and exploration targeting and provisions that enable the Target to remedy any material deficiencies in the quality of the data, including re-flying the airborne survey if necessary.

The Technical Report Author expects that upon receipt of the geophysical contractor's technical report, including the survey specifications, system calibration records, field QC logs, and processing workflow, the Technical Report Author will review the data to ensure it is reliable and suitable for geological interpretation and exploration targeting and assess whether there are any material deficiencies in the quality of the data.

Mineral Processing and Metallurgical Testing

No mineral processing or metallurgical testing analyses have been carried out on the Project.

The following summarizes the mineral processing and metallurgical testing proposed by the Technical Report Author on the Project.

From the very beginning of any sampling of sands from the sea-floor, systematic mineralogical examination and metallurgical testing will be undertaken. The mineralogical work will be carried out by specialists familiar with a wide range of heavy minerals. Once any valuable minerals are identified and quantified from a variety of targets, metallurgical testing will be carried out to assess the most economical means to effectively extract any minerals of real value. The Company will work with foreign consultants that specialize in identifying and treating heavy minerals, but also with the intent to establish in-house expertise so that much of this can eventually be done in Ghana by the Company's personnel. Based on the regional geology, it is anticipated that the heavy mineral assemblages will likely be very similar to other operations in comparable geological settings. However, in some locations, such as the sediments deposited offshore by the Pra River, there could well be a very wide array of minerals of economic significance if they occur in sufficient quantities to warrant extraction.

Although most mineral sand projects discard the iron oxides because of the lack of a nearby market, this could end up being a valuable by-product if plans for a possible modern steel operation are established close to the port of Takoradi.

The Project is at an early stage of exploration, and, although mineral processing is not directly relevant in the initial stages, it will become a very important aspect of the Project very early on. For the most part, processing of mineral sands is relatively straightforward using well-proven methodologies that focus largely on physical methods to recover the valuable minerals.

The initial step is usually to screen various size fractions, which are then subjected to several additional processes. The heavy minerals are separated using a series of gravitational methods, such as spirals, tables, jigs, or centrifugal bowls, and specialized magnets are used to separate magnetic minerals such as magnetite and ilmenite from non-magnetic fractions. Any gold is likely to be quite fine-grained and would be expected to be recovered with centrifugal bowls, which are able to recover most of the very fine-grained gold.

Screening and initial concentrating of valuable commodities would normally be carried out on the dredge itself, and material of no economic value would be directed back into mined-out areas. Any treatment methods utilized on board the dredge would not utilize any harmful chemicals that potentially could pollute the marine environment. Further processing of concentrates on land would again be largely of a physical nature, although some chemicals, such as heavy media, could be utilized to separate specific minerals such as diamonds. The following figure illustrates an example of a mining scheme by suction dredging:



Upgrading heavy mineral sands can be carried out at sea and further processed on land.

Environmental Studies, Permitting and Social or Community Impact

The initial survey to assess the potential of Ghana's continental shelf area for mineral sands should have absolutely minimal negative environmental impact. The main focus of the program for the Project is a high-quality marine survey that is very passive and involves no major seismic testing. However, the initial sampling program, which could involve taking very small samples from the sea-floor, will cause some very minor, localized disturbances.

Once a larger sampling is undertaken, the disturbances will result in increased turbidity in the immediate area, but again, the disturbances will be very short-term and have no lasting effects. In the opinion of the Technical Report Author, none of this sampling should result in the dispersal of any harmful chemicals that could disturb any aquatic life or pollute the immediate area being sampled.

The survey will be carried out by professionals and experts with extensive experience in India, where these surveys are commonplace and where sensitivities to environmental matters are of paramount importance.

From the very beginning of the survey, studies will be undertaken along the entire survey area to assess the existing offshore conditions with respect to all forms of aquatic life and the physical conditions of the ocean and sea-floor environment. This will include measuring water temperatures, currents, turbidity, salinity, etc., in addition to assessing the state of existing aquatic life on a year-round basis. This work will be guided by foreign experts in the field and working with Ghanaian counterparts so that local expertise can be built up and maintained in the future.

From the onset of the exploration program, the Target, now the Company, will be working with local environmental experts to liaise with Government officials and to sensitize the many coastal communities that depend on the ocean for a living. A very strong case can be made to demonstrate the many potential benefits of offshore mining should economic resources be discovered. However, getting the benefits of developing these resources in an environmentally sound manner will be difficult to achieve without the support of the nearby coastal communities. This must be considered from the beginning of the exploration work, and an effective campaign to educate and inform local communities and officials will be given a high priority by the Company.

Any mining project on land or offshore will certainly result in lasting environmental effects, and it is the responsibility of mining companies and Government officials to ensure that the effects are minimal and that the benefits of the mining far outweigh the negative impact.

Recommendations and Budget

It is recommended in the Technical Report that a one-year reconnaissance work program be undertaken on the Project, comprising airborne geophysical surveys over the entire Project area. The airborne survey will be carried out on a grid spacing of 800 m oriented more or less NNW-SSE. Approximately 45,000 line-km will be completed. A broad marine geophysical survey scattered at least 1,000 km² will also be completed. Mineral sand and gravel sampling will be carried out at a minimum of 50 sites. An integrated interpretation of all results, to test and validate the various theoretical concepts. A broad-scale marine environmental survey and a market study will also be initiated. The duration of this phase of work is estimated to be 12 months. The above activities would be carried out with a projected minimum budget of US\$3,040 million.

Should the initial testing program along the continental shelf prove encouraging, it would be expected that more detailed follow-up work will be justified. The initial, broad-scale survey will be followed by Phase II, which will include a more detailed marine geophysical survey on 400 m-spaced lines covering approximately 50% (approximately 12,000 line-km) of the Project area. Phase II is intended to define the

sand and gravel deposits better outlined in the initial survey. Phase II will attempt to obtain larger sediment samples at 1000+ sites, and the material will be utilized to identify and quantify suites of heavy minerals, as well as the suitability of the sand and gravel as a source for commercial aggregate. Further environmental studies will be undertaken, and a sensitization program will be initiated in key fishing communities along the coast. Phase II is also estimated to be carried out over an 8–12-month period.

The proposed estimated costs for Phase I of the reconnaissance survey are presented in the table below:

Phase I (Year 1)	Unit Cost (US\$)	Units	Total Cost (US\$)
Survey boats	362,261	1	372,000
Airborne Geophysics (for 45,000 line-km)	31	24000	1,026,726
Marine Geophysics(for 1,000 sq km)	320	1000	320,000
Data auditing and interpretation	60,000	1	60,000
Sampling	2,000	60	120,000
Environmental impact studies	100,000	1	100,000
2 Expatriate Geologists	12,000	6	72,000
3 Local Geologists	15,000	8	120,000
Supporting Staff	10,000	8	80,000
Transportation	3,000	6	18,000
Field Supplied and Lab	5,000	12	60,000
Camp Expenses (accommodation/meals, utilities, etc)	6,000	12	72,000
Compensation and Traditional Rates	6,000	12	72,000
Vehicles	60,000	2	120,000
Medical	1,500	12	18,000
Computer Infrastructure and Software	12,500	12	150,000
Permits & Licenses – Reconnaissance	25,000	4	100,000
Market Survey	15,000	1	15,000
Phase I Subtotal⁽²⁾			2,895,726
Contingency (5%)			144,786
Total Phase I			3,040,506

USE OF PROCEEDS

Use of Proceeds

The Company did not conduct any financings in connection with the Transaction, and therefore no proceeds were realized in connection with the Transaction.

Since entering into the Psyence LOI, the Target completed a number of private placements, including the March 16 Target Financing, the March 20 Target Financing, the April 17 Target Financing and the Target Final Private Placement for gross proceeds of \$10,950,158.

All expenses incurred in connection with the preparation and filing of this Listing Statement will be paid by the Company.

Total Funds Available

As of the Closing Date, the Company has available working capital of \$6,061,839, as set out in the table below.

Sources of Available Funds	Amount (\$)
Estimated consolidated working capital of the Company as at June 30, 2026	661,839
Estimated consolidated working capital of the Target as at June 30, 2026	5,400,000
Total Available Working Capital	6,061,839

Use of Available Funds

It is expected that the Company will use the available funds as described below. However, there may be circumstances where a reallocation of funds may be necessary. The actual amount that the Company spends in connection with each of the intended uses of available funds will depend on a number of factors, including those referred to under "*Risk Factors*".

The Company commenced the Phase I exploration program contained in the Technical Report in February of 2026 (See "*Description of Business – The Project – Recommendations and Budget*"). To date, the Company has incurred \$2,832,000 of expenditures with approximately \$1,974,647 of expenditures remaining to be incurred to complete the Phase I.

The following table sets out the intended use of available funds over the next 12-month period:

Item	Amount Allocated (US\$)	Amount Allocated (CAD\$) ⁽¹⁾	Amount Spent (CAD\$)	Balance Outstanding (CAD\$)
Reconnaissance survey on the Project ("Phase I")				
Survey boats	372,000	527,161	269,000	258,161
Airborne Geophysics (for 45,000 line-km)	1,026,726	1,454,973	741,000	713,973
Marine Geophysics (for 1,000 sq km)	320,000	453,472	310,000	143,472
Data auditing and interpretation	60,000	85,026	221,000	Nil
Sampling	120,000	170,052	14,000	156,052
Environmental impact studies	100,000	141,710	82,000	59,710
2 Expatriate Geologists	72,000	102,031	103,000	Nil
3 Local Geologists	120,000	170,052	181,000	Nil
Supporting Staff	80,000	113,368	159,000	Nil
Transportation	18,000	25,508	122,000	Nil
Field Supplied and Lab	60,000	85,026	185,000	Nil
Camp Expenses (accommodation/meals, utilities, etc)	72,000	102,031	7,000	95,031
Compensation and Traditional Rates	72,000	102,031	Nil	102,031
Vehicles	120,000	170,052	278,000	Nil
Medical	18,000	25,508	3,000	22,508
Computer Infrastructure and Software	150,000	212,565	19,000	193,565
Permits & Licenses – Reconnaissance	100,000	141,710	138,000	3,710
Market Survey	15,000	21,257	Nil	21,257
Phase I Subtotal⁽²⁾	2,895,726	4,103,533	2,832,000	1,769,470
Contingency (5%)	144,786	205,176	-	205,176
Total Phase I	3,040,506	4,308,701	2,832,000	1,974,647
Estimated Expenses of the Transaction	-	300,000	-	300,000
General & administrative expenses ⁽³⁾	-	809,260	-	809,260
Subtotal - Phase I, G&A and Misc.		5,417,961		3,083,907
Unallocated Funds	-	-	-	2,977,932
Total Use of Available Funds	-	-	-	6,061,839

Notes:

- (1) Based on the Bank of Canada exchange rate of US\$1.00 = \$1.4171 on June 19, 2026.
- (2) As of the date hereof, the Target has completed approximately \$2,832,000 of the recommendations in Phase I on the Project.
- (3) Includes management fees of approximately US\$412,000, and other general and administrative costs of US\$174,420.

To the extent that the Company has negative operating cash flow in future periods, it may need to allocate a portion of its cash reserves to fund such negative cash flow. The Company may also be required to raise additional funds through the issuance of equity or debt securities. There can be no assurance that the Company will be able to generate a positive cash flow from its operations, that additional capital or other types of financing will be available when needed or that these financings will be on terms favourable to the Company.

The Company's working capital available to fund ongoing operations will be sufficient to meet its administrative costs for 12 months. The Company intends to spend the funds available to it as stated in this Listing Statement. However, there may be circumstances where, for sound business reasons, a reallocation of the funds may be necessary.

Business Objectives and Milestones

The Company is a mineral exploration issuer focused on offshore mineral reconnaissance activities in the Republic of Ghana.

The principal purpose of the available funds, in the forthcoming 12-month period following completion of the Transaction, will be for, among other things, working capital and future exploration activities on the Project, including the work program recommended in the Technical Report and general and administrative expenses. The Technical Report recommended a one-year reconnaissance work programme comprised of:

- an airborne geophysical survey over the entire Project area to be carried out on a grid spacing of 800 metres, oriented NNW-SSE for a total of 24,000 line kilometres;
- a broad mineral geophysical survey scattered at least 1,000 km², which will involve mineral sand and gravel sampling carried out at a minimum of 50 sites;
- an integrated interpretation of all results to test and validate various theoretical concepts; and
- a broad-scale marine environmental survey and market survey.

The Company commenced the Phase I recommendations contained in the Technical Report in February of 2026 (See *"Description of Business – The Project – Recommendations and Budget"*). To date, the Company has incurred \$2,832,000 of expenditures with approximately \$1,974,647 of expenditures to be incurred to complete the Phase I. The initial exploration expenditures have been incurred as set out in the table above and following completion of the Transaction, the Company will use its available funds to complete Phase I as follows:

Purpose	Estimated Costs to Complete ⁽²⁾ (CAD\$)	Anticipated Time Frame
Airborne survey	285,720	2 months.
Broad marine geophysical survey & boats	375,960	3 months
Sampling	151,600	3 months
Environmental impact studies	56,000	3 months
Camp expenses (accommodation/meals, utilities, etc.)	92,360	3 months
Compensation and traditional rates	99,360	3 months
Medical	21,840	3 months
Computer infrastructure and software	188,000	3 months
Market survey	20,700	3 months
TOTAL:	1,291,540	

Notes:

(1) See *"The Project – Technical Report"* for a description of the work programs recommended by the Technical Report.

- (2) *In February 2026, the Target commenced the work programs recommended in the Technical Report. These amounts represent the approximate balance of expenditures to be incurred by the Target with respect to the completion of the work program estimated at \$2,832,000 as at May 31, 2026.*

The actual amount that the Company spends from its working capital may vary significantly from the amounts specified above and will depend on a number of factors, including those listed under the heading "Risk Factors".

While the Company intends to pursue these objectives and milestones, there may be circumstances where, for valid business reasons or due to factors beyond the control of the Company, a re-allocation of efforts may be necessary or advisable.

DIVIDENDS

Neither the Target nor the Company has paid dividends since its inception. The Company intends to retain any earnings to finance growth and expand its operations and does not anticipate paying any dividends on the Common Shares in the foreseeable future. The Board will determine if, and when, to declare and pay dividends in the future from funds properly applicable to the payment of dividends based on the Company's financial position at the relevant time. All the Common Shares are entitled to an equal share in any dividends declared and paid on a per share basis.

There are no restrictions in the Company's constating documents that prevent the Company from declaring dividends. The OBCA, however, does prohibit the Company from declaring dividends where, after giving effect to the distribution of the dividends, the Company would not be able to pay its debts as they become due in the usual course of business, or the Company's total assets would be less than the sum of its total liabilities plus the amount that would be needed to satisfy the rights of Shareholders who have preferential rights superior to those receiving the distribution.

SELECTED FINANCIAL INFORMATION

Summary of Selected Financial Information

The Company prior to the Closing

The following tables set forth selected historical financial information of the Company as extracted from the Annual Financial Statements and the Interim Financial Statements, and should be read in conjunction with the Annual Financial Statements, the Interim Financial Statements and the Company's MD&As for the year ended March 31, 2026 and interim period ended December 31, 2025, all of which are attached to this Listing Statement as schedule A and are available under the Company's profile on SEDAR+ at www.sedarplus.ca.

Description	Interim Period Ended December 31, 2025 (\$) (Unaudited)	Year Ended March 31, 2026 (\$) (Audited)	Year Ended March 31, 2025 (\$) (Audited)	Year Ended March 31, 2024 (\$) (Audited)
Revenue	nil	nil	nil	nil
Net comprehensive income (loss)	(1,230,646)	(1,568,685) ⁽¹⁾	582,908 ⁽¹⁾	(69,252,807) ⁽¹⁾
Net income (Loss) per share – basic and diluted	(0.08)	(0.09)	(0.00)	(7.81)
Total assets	879,664	816,790	10,604,851	3,272,469

Description	Interim Period Ended December 31, 2025 (\$) (Unaudited)	Year Ended March 31, 2026 (\$) (Audited)	Year Ended March 31, 2025 (\$) (Audited)	Year Ended March 31, 2024 (\$) (Audited)
Total long-term financial liabilities	nil	nil	nil	33,273
Cash dividends declared per share	nil	nil	nil	nil

Notes:

- (1) The Company's audited consolidated financial statements for the years ended March 31, 2026 and March 31, 2025 do not present discontinued operations or a subtotal for "income (loss) from continuing operations." Accordingly, net income (loss) as presented above represents income (loss) from continuing operations for each of the periods shown.
- (2) The Company did not have any long-term financial liabilities as at March 31, 2026. All liabilities reported in the audited financial statements for those periods were current in nature.

For further details, see "Schedule A – The Company's Financial Statements and MD&A".

The Target

The following table sets forth selected historical financial information of the Target for the period indicated, which information has been derived from the financial statements of the Target and the notes thereto included as part of schedule B in this Listing Statement. Shareholders should read the following information in conjunction with those financial statements of the Target and related notes thereto, along with the related MD&A which is included as part of schedule B in this Listing Statement for complete financial information relating to the Target. The audited consolidated financial information of the Target is as at, and for the period from March 7, 2025 (date of incorporation) to March 31, 2026, and is presented in accordance with IFRS.

	For the period from March 7, 2025 to March 31, 2026 (audited) Canadian \$
Operations	
Total revenue	nil
Loss before other expenses	(3,369,699)
Net loss	(3,370,031)
Total Comprehensive Loss	(3,375,383)
Net loss per share – (basic and diluted)	(0.07)
Balance Sheet	
Total assets	7,938,999
Total liabilities	664,197
Deficit	(3,307,821)
Total Equity	7,274,802

For further details, see "Schedule B – The Target's Financial Statements and MD&A".

Selected Pro Forma Financial Information

The table below contains certain unaudited *pro forma* consolidated financial information for the Company as at and for the fiscal period ended March 31, 2026 and gives effect to the completion of the Transaction as if it had occurred as of March 31, 2026. This information should be read together with the *pro forma*

financial statements of the Company, attached as schedule C, along with the Company's Annual Financial Statements set out as part of schedule A attached to this Listing Statement and the Target's financial statements set out as part of schedule B attached to this Listing Statement.

Consolidated <i>pro-forma</i>	As at March 31, 2026 (unaudited)
Revenue	nil
Net income (loss)	(\$8,783,754)
Total assets	\$8,361,551
Total long-term financial liabilities	\$15,390

For further details, see "*Schedule C – Pro Forma Financial Statements of the Company*".

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Company prior to Closing

The Company's MD&A for its most recent financial year ended March 31, 2026 is attached hereto as part of schedule A and is available under the Company's profile on SEDAR+ at www.sedarplus.ca.

Certain information included in the Company's MD&A is forward-looking and based upon assumptions and anticipated results that are subject to uncertainties. Should one or more of these uncertainties materialize or should the underlying assumptions prove incorrect, actual results may vary significantly from those expected. See "*Cautionary Note Regarding Forward-Looking Statements*" for further details.

The Target

The Target's MD&As for the period from March 7, 2025 (date of incorporation) to March 31, 2026 attached hereto as part of schedule B, which should be read in conjunction with the financial statements of the Target for the corresponding periods, and the notes thereto.

Certain information included in the Target's MD&A is forward-looking and based upon assumptions and anticipated results that are subject to uncertainties. Should one or more of these uncertainties materialize or should the underlying assumptions prove incorrect, actual results may vary significantly from those expected. See "*Cautionary Note Regarding Forward-Looking Statements*" for further details.

Transaction

For further details concerning the expected impact of the Transaction and the Target Final Private Placement on the Company's financial condition, results of operations and cash flows, see the unaudited *pro forma* consolidated statement of financial position of the Company prepared by its management giving effect to the Transaction and the Target Final Private Placement as if they had been completed as of March 31, 2026, see "*Schedule C – Pro Forma Financial Statements of the Company*".

DESCRIPTION OF SECURITIES

The authorized share capital of the Company consists of an unlimited number of Common Shares without par value. As of the date of this Listing Statement, the following securities of the Company are issued and

outstanding: 69,808,269 Common Shares, 99,999 Warrants, 2,708,989 Compensation Options, 4,199,457 Options, nil RSUs and nil PSUs.

The holders of Common Shares are entitled to receive notice of and to attend and vote at all meetings of the Shareholders and each Common Share confers the right to one vote in person or by proxy at all meetings of the Shareholders. The holders of the Common Shares, subject to the prior rights, if any, of any other class of shares of the Company, are entitled to receive such dividends in any financial year as the Board may by resolution determine. In the event of the liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, the holders of the Common Shares are entitled to receive, subject to the priority right, if any, of the holders of any other class of shares of the Company, the remaining property and assets of the Company. The Common Shares do not carry any pre-emptive, subscription, conversion or redemption rights, nor do they contain any sinking or purchase fund provisions.

CONSOLIDATED CAPITALIZATION

In accordance with the terms of the Psyence LOI, Psyence advanced a secured bridge loan in the amount of US\$250,000 (the "**GoldCoast Loan**") to GoldCoast in August 2025 pursuant to a loan agreement dated August 20, 2025, as amended on March 12, 2026 and May 27, 2026, between Psyence and GoldCoast (the "**GoldCoast Loan Agreement**"). The proceeds of the GoldCoast Loan were used by GoldCoast for the preparation and submission of the application for the Project Reconnaissance Licences and for the preparation of the Technical Report, among other working capital purposes.

The GoldCoast Loan was entered into in connection with the Transactions and the terms of the GoldCoast Loan are integral to the financing and capitalization of the Company. Pursuant to the terms of the GoldCoast Loan Agreement, upon the closing of the Amalgamation, the principal amount of the GoldCoast Loan was discharged effective July 27, 2026. As a result, the forgiveness of the GoldCoast Loan and the associated adjustments contemplated under the Amalgamation Agreement are reflected in the post-closing capitalization table and the *pro forma* financial statements included in this Listing Statement.

The following table sets forth the capitalization of the Company as of the date of the Company's financial statements for the year ended March 31, 2026 and as at the date of this Listing Statement. The table should be read in conjunction with the financial statements, including the *pro forma* financial statements of the Company, appearing elsewhere in this Listing Statement:

Securities	Authorized Amount	Amount Outstanding as at March 31, 2026 ⁽¹⁾	Amount Outstanding as of the Date of this Listing Statement
Common Shares	Unlimited	15,638,267	69,808,269
Warrants	99,999 ⁽²⁾	Nil	99,999 ⁽²⁾
Compensation Options	2,708,989 ⁽³⁾	Nil	2,708,989 ⁽³⁾
Options	10% of issued and outstanding Common Shares	131,444	4,199,457
RSUs	97,999	1,172,870	Nil

Notes:

(1) Pre Company Consolidation figures.

(2) Each Warrant entitles the holder to acquire one Common Share at a price of \$0.45 per Common Share until February 19, 2027.

(3) Each Compensation Option entitles the holder thereof to acquire one Common Share at a price of \$0.85 per Common Share until the date that is two years after the date of issuance.

OPTIONS TO PURCHASE SECURITIES

The LTIP was approved by the Shareholders on May 19, 2026.

Purpose and Granting of Awards

The LTIP allows for a variety of equity-based awards that provide different types of incentives to be granted to certain of the officers, directors, employees, consultants and management company employees providing ongoing services to the Company consisting of options ("**Options**"), performance share units ("**PSUs**") and restricted share units ("**RSUs**"). In addition, when dividends (other than stock dividends) are paid on Common Shares, participants will receive additional RSUs and/or PSUs, as applicable ("**Dividend Share Units**"). PSUs, RSUs and Dividend Share Units are collectively referred to herein as "**Share Units**" and Options and Share Units are collectively referred to herein as "**Awards**". Each Award will represent the right to receive Common Shares, or in the case of Share Units, Common Shares, cash or a combination thereof, in accordance with the terms of the LTIP. The following discussion is qualified in its entirety by the text of the LTIP.

The purpose of the LTIP is to advance the interests of the Company by: (i) providing eligible participants with additional incentives; (ii) encouraging stock ownership by such eligible participants; (iii) increasing the proprietary interest of eligible participants in the success of the Company; (iv) promoting growth and profitability of the Company; (v) encouraging eligible participants to take into account long-term corporate performance; (vi) rewarding eligible participants for sustained contributions to the Company and/or significant performance achievements of the Company; and (vii) enhancing the Company's ability to attract, retain and motivate eligible participants.

Under the terms of the LTIP, the Board, or if authorized by the Board, a committee of the Board, may grant Awards to eligible participants, as applicable. Participation in the LTIP is voluntary and any decision not to participate may not affect an eligible participant's relationship, employment or appointment with the Company.

Except as set forth in the LTIP, Awards are not transferable and not assignable. Awards may be exercised upon the participant's death, only by the legal representative of the participant's estate, provided that any such legal representative first delivers evidence satisfactory to the Company of entitlement to exercise any Award. A person exercising an Award may subscribe for Common Shares only in the person's own name or in the person's capacity as a legal representative.

The LTIP provides those appropriate adjustments, if any, which will be made by the Board in connection with a reclassification, reorganization or other change of the Common Shares, share split or consolidation, distribution, merger or amalgamation, in the Common Shares issuable or amounts payable to preclude a dilution or enlargement of the benefits under the LTIP.

Securities Subject to the LTIP and Participation Limits

The maximum number of Common Shares which may be reserved for issue pursuant to the exercise of Options in the aggregate, under the Option portion of the LTIP, is 10% of the aggregate number of Common Shares issued and outstanding from time to time, which, as of the date of this Listing Statement is 6,971,039 Common Shares. In addition, the aggregate number of Share Units issuable to all participants may not exceed 6,930,040.

The number of Dividend Share Units to be granted to a participant will be determined by multiplying the aggregate number of RSUs and/or PSUs, as applicable, held by the participant on the relevant record date by the amount of the dividend paid by the Company on each Common Share, and dividing the result by the

market value on the dividend payment date, which Dividend Share Units will be in the form of RSUs and/or PSUs, as applicable. Dividend Share Units granted to a participant will be subject to the same vesting conditions applicable to the related RSUs and/or PSUs. Any Dividend Share Units will be counted towards the total number of Common Shares reserved and available for grant and issuance pursuant to Awards under the LTIP. In the event that the Company does not have sufficient room under the LTIP to satisfy its obligation to issue Dividend Share Units to participants, the Company will, in lieu of issuing such participants the Dividend Share Units to which they would have otherwise been entitled, pay such participants, for each Share Unit held, the amount of the dividend in cash, on the same basis had such participant settled such Share Units for Common Shares immediately prior to the declaration of the dividend and become a shareholder of the Company.

For the purposes of calculating the maximum number of Common Shares reserved for issue under the LTIP, Common Shares in respect of which an Award is granted under the LTIP but not exercised prior to the termination of such Award or not vested or settled prior to the termination of such Award due to the expiration, termination, cancellation or lapse of such Award, will be available for Awards to be granted thereafter pursuant to the provisions of the LTIP.

The maximum number of Common Shares: (i) issuable to insiders (as a group) of the Company under the LTIP or any other proposed or established share compensation arrangement of the Company within any one-year period and (ii) issuable to insiders (as a group) at any time under the LTIP or any other proposed or established share compensation arrangement of the Company, may not, in each case, exceed 10% of the aggregate number of Common Shares issued and outstanding at the time of grant. Any Awards granted pursuant to the LTIP, prior to the eligible participant becoming an insider, will not be excluded for the purposes of the limits set out in the LTIP in respect of limits imposed on insiders of the Company.

In addition:

- (a) the total number of Common Shares which may be reserved for issuance to any one eligible participant under the LTIP together with all of the Company's other previously established or proposed share compensation arrangements may not exceed 5% of the issued and outstanding Common Shares on the grant date or within any 12-month period (in each case on a non-diluted basis);
- (b) the aggregate number of Common Shares that are issuable pursuant to all Awards to any one eligible participant that is a consultant of the Company in any 12-month period may not exceed 2% of the issued Common Shares calculated at the date an Award is granted;
- (c) the aggregate number of Common Shares that are issuable pursuant to all Options to all persons retained to provide investor relations activities (and including any eligible participant that performs investor relations activities and/or whose role or duties primarily consist of investor relations activities) may not exceed 2% of the issued Common Shares in any 12-month period calculated at the date a Option is granted; and
- (d) Options granted to any person retained to provide investor relations activities must vest in stages over a period of not less than 12 months from the date of grant of the Options, such that: no more than 1/4 of the Options vest no sooner than three months after the Options were granted; (ii) no more than another 1/4 of the Options vest no sooner than six months after the Options were granted; (iii) no more than another 1/4 of the Options vest no sooner than nine months after the Options were granted; and (iv) the remainder of the Options vest no sooner than 12 months after the Options were granted.

Options

Subject to the terms of any employment agreement or other agreement between an eligible participant and the Company, or the Board expressly providing to the contrary, and except as otherwise provided in the agreement granting the Option, each Option vests as to 1/3 on the date of grant, 1/3 on the first anniversary of the date of grant, and 1/3 on the second anniversary of the date of grant. Each Option must be exercised no later than ten years after the date the Option is granted or such shorter period as set out in the eligible participant's option agreement, at which time such Option will expire. The LTIP provides that the exercise period of an Option will automatically be extended if the date on which it is scheduled to terminate falls during a black-out period. In such cases, the extended exercise period will terminate ten business days after the last day of the black-out period.

The exercise price for Common Shares that are the subject of any Option may not be less than the market value of such Common Shares at the time of grant. The exercise price will be fixed by the Board when such Option is granted, but, as long as the Common Shares are traded on a stock exchange, the exercise price may not be less than the greater of the closing market price of the Common Shares on (a) the trading day prior to the date of grant of the Option; and (b) the date of grant of the Option. In order to facilitate the payment of the exercise price of the Options, the LTIP has a cashless exercise feature pursuant to which a participant may elect to undertake either a broker-assisted "cashless exercise" or a "net exercise" subject to the procedures set out in the LTIP, including the consent of the Board, where required.

Share Units

Subject to the vesting and other conditions and provisions set forth in the LTIP and in a PSU agreement and/or RSU agreement, the Board will determine whether each PSU and/or RSU awarded to a participant will entitle the participant: (i) to receive one Common Share issued from treasury; (ii) to receive the cash equivalent of one Common Share; or (iii) to elect to receive either one Common Share from treasury, the cash equivalent of one Common Share or a combination of cash and Common Shares.

The vesting determination date means the date on which the Board determines if the Performance Criteria (as defined in the LTIP) and/or other vesting conditions with respect to a RSU and/or a PSU have been met (the "**Share Unit Vesting Determination Date**"), and as a result, establishes the number of RSUs and/or PSUs that become vested, if any. Unless otherwise specified in the RSU agreements, 1/3 of RSUs awarded pursuant to a RSU agreement vest on the date of grant, 1/3 on the first anniversary of the date of grant, and 1/3 on the second anniversary of the date of grant. No Share Units issued pursuant to the LTIP may vest before the date that is one year following the date it is granted or issued.

Subject to the terms of any employment agreement or other agreement between a participant and the Company, or the Board expressly providing to the contrary, and except as otherwise provided in a RSU agreement and/or PSU agreement, in the event that the vesting conditions, the Performance Criteria and Performance Period (as defined in the LTIP), if applicable, of a Share Unit are satisfied:

- (a) all of the vested Share Units covered by a particular grant may, subject to the provisions of the LTIP, be settled at any time beginning on the first business day following their Share Unit Vesting Determination Date but no later than the date that is five years after their Share Unit Vesting Determination Date (the "**Share Unit Settlement Date**"); and
- (b) a participant is entitled to deliver to the Company, on or before the Share Unit Settlement Date, a notice from a participant to the Company electing the desired form of settlement of vested Share Units (a "**Share Unit Settlement Notice**") in respect of any or all vested Share Units held by such Participant.

If a Share Unit Settlement Notice is not received by the Company on or before the Share Unit Settlement Date, settlement will take the form of Common Shares issued from treasury.

The LTIP provides that in the event that a Share Unit Settlement Date falls during a black-out period and the participant has not delivered a Share Unit Settlement Notice, then such Share Unit Settlement Date will be automatically extended to the tenth business day following the date that such black-out period is terminated.

Termination of Employment

The following table describes the impact of certain events upon the rights of holders of Awards under the LTIP, including termination for cause, resignation, retirement, termination other than for cause, and death, subject to the terms of a participant's employment agreement, grant agreement and the change of control provisions described below:

Event Provisions	Provisions
Termination for cause	Immediate forfeiture of all vested and unvested Awards.
Resignation	Subject to any later expiration dates determined by the Board, all Awards expire on the earlier of 90 days after the effective date of such resignation, or the expiry date of the Award, to the extent such Award was vested and exercisable by the participant on the effective date of such resignation and all unexercised unvested Awards granted to such participant terminate on the effective date of such resignation.
Retirement	All unvested Awards will vest in accordance with their vesting schedules, and all vested Awards held may be exercised until the earlier of the expiry date of such Awards or one year following the retirement date.
Termination or cessation	If a Participant ceases to be an eligible participant for any reason (other than for "cause", resignation or death) the number of Awards expire on the earlier of 90 days after the effective date of such termination, or the expiry date of such Award, to the extent such Award was vested and exercisable by the participant on the effective date of such termination. All unexercised unvested Awards granted to such participant terminate on the effective date of such termination.
Death	In the case of death, all unvested Awards will vest immediately and all Awards will expire 180 days after the death of such participant.
Change of Control	If a participant is terminated without "cause" or resigns for good reason during the 12-month period following a change of control, or after the Company has signed a written agreement to effect a change of control but before the change of control is completed, then any unvested Awards will immediately vest and may be exercised prior to the earlier of 30 days after such date or the expiry date of such Awards.

Change of Control

In the event of a change of control of the Company, the surviving, successor or acquiring entity is required to assume any Awards or is required to substitute similar options, restricted share units or performance share units for the outstanding Awards, as applicable. If the surviving, successor or acquiring entity does not assume the outstanding Awards or substitute similar options, restricted share units or performance share

units for the outstanding Awards, as applicable, or if the Board otherwise determines in its discretion, the Company will give written notice to all participants advising that the LTIP will be terminated effective immediately prior to the change of control and all Awards, as applicable, will be deemed to be vested and, unless otherwise exercised, settled, forfeited or cancelled prior to the termination of the LTIP, will expire or, with respect to the RSUs and PSUs be settled, immediately prior to the termination of the LTIP. The number of PSUs which are deemed to be vested will be determined by the Board, in its sole discretion, having regard to the level of achievement of the performance criteria prior to the change of control.

In the event of a change of control, the Board will have the power to: (i) make such other changes to the terms of the Awards as it will consider fair and appropriate in the circumstances, provided such changes are not adverse to the participants; (ii) otherwise modify the terms of the Awards to assist the participants to tender into a takeover bid or other arrangement leading to a change of control, and thereafter; and (iii) terminate, conditionally or otherwise, the Awards not exercised or settled, as applicable, following successful completion of such change of control. If the change of control is not completed within the time specified therein (as the same may be extended), the Awards which vest will be returned by the Company to the participant and, if exercised or settled, as applicable, the Common Shares issued on such exercise or settlement will be reinstated as authorized but unissued Common Shares and the original terms applicable to such Awards will be reinstated.

Amendments

The Board will be able to amend the LTIP or any Award at any time without the consent of the participant provided that such amendment is required to: (i) not adversely alter or impair any Award previously granted except as permitted by the terms of the LTIP; (ii) be in compliance with applicable law and subject to any regulatory approvals including, where required, the approval of the CSE; and (iii) be subject to shareholder approval, where required by law, the requirements of the CSE or the provisions of the LTIP, provided that shareholder approval will not be required for the following amendments and the Board may make any such amendments which may include but are not limited to:

- (a) amendments of a general "housekeeping" or clerical nature that, among others, clarify, correct or rectify any ambiguity, defective provision, error or omission in the LTIP;
- (b) changes that alter, extend or accelerate the terms of vesting or settlement applicable to any Award;
- (c) any amendment regarding the effect of termination of a participant's employment or engagement;
- (d) any amendment to add or amend provisions relating to the granting of cash-settled awards, provision of financial assistance or clawbacks and any amendment to a cash-settled award, financial assistance or clawbacks provisions which are adopted;
- (e) any amendment regarding the administration of the LTIP;
- (f) any amendment necessary to comply with applicable law or the requirements of the stock exchange or any other regulatory body having authority over the Company (provided, however, that any stock exchange shall have the overriding right in such circumstances to require shareholder approval of any such amendments); and
- (g) any other amendment that does not require the shareholder approval under Section 6.2(2) of the LTIP.

The Board will be required to obtain shareholder approval to make the following amendments:

- (a) any change to the maximum number of Common Shares issuable from treasury under the LTIP, except as permitted under the LTIP;
- (b) any amendment which reduces the exercise price of any Award, except in the case of an adjustment pursuant to Article 6 of the LTIP;
- (c) any amendment that would permit the introduction or reintroduction of non-employee directors as eligible participants on a discretionary basis or any amendment that increases the limits previously imposed on non-employee director participation;
- (e) any amendment to remove or to exceed the limits set out in the LTIP with respect to the amount of Awards that may be granted or issued to any one person or category of eligible participant under the LTIP; and
- (h) any amendment to the amendment provisions of the LTIP.

The LTIP will be available under the Company's profile on SEDAR+ at www.sedarplus.ca.

As of the date of this Listing Statement, there are 4,199,457 Options, nil RSUs and nil PSUs issued under the LTIP.

Number and Type of Compensation Securities	Date of Grant	Exercise Price	Expiry Date
285,563 Options	October 15, 2025	US\$0.1497	October 15, 2028
3,025,000 Options	January 22, 2026	CAD\$0.45	January 22, 2031
150,000 Options	March 13, 2026	CAD\$0.45	March 13, 2031
470,000 Options	May 26, 2026	CAD\$0.85	May 26, 2029
250,000 Options	June 18, 2026	CAD\$1.00	June 17, 2029
3,993 Options	November 14, 2023	CAD\$6.26085	December 31, 2027
13,464 Options	March 31, 2023	CAD\$14.61	March 31, 2028
1,437 Options	May 25, 2023	CAD\$14.61	May 25, 2028
97,999 RSUs	October 8, 2025	Not Applicable	Not Applicable

PRIOR SALES

The Company

The prior sales of Common Shares, or securities convertible or exchangeable into Common Shares of the Company issued within the 12 months before the date of this Listing Statement are listed in the following table:

Date Issued	Reason for Issue	Type of Security	Number of Securities	Issuer/Exercise Price per Security
March 14, 2025	Issued as shares for debt to settle consulting fees in the amount of \$70,000.	Common Shares	26,667	\$2.63
April 1, 2025	Compensation	RSUs	602,300	n/a
October 8, 2025	Compensation	RSUs	721,531	n/a
July 27, 2026	Compensation	Common Shares	400,000 ⁽¹⁾	\$1.00
July 28, 2026	Vesting of RSUs	Common Shares	97,999	\$1.00

Note:

(1) Issued by the Company to satisfy: (i) a facilitation fee in the aggregate amount of C\$150,000 payable to such persons designated by the Company who are non-insiders; and (ii) an administration fee in the aggregate amount of C\$250,000 payable to third-party service providers and/or consultants of the Company.

The Target

The prior sales of securities of the Target issued within the 12 months before the date of this Listing Statement are listed in the following table:

Date Issued	Reason for Issuance	Type of Security	Number of Securities	Issuer/Exercise Price per Security
March 7, 2025	Founder Shares	Target Shares	47,060,869	US\$0.00000025
June 26, 2025	Private Placement	Target Shares	1,603,163	US\$0.1497
September 26, 2025	Private Placement	Target Shares	1,335,967	US\$0.1497
October 7, 2025	Private Placement	Target Shares	2,628,000	US\$0.29
October 15, 2025	Option Grant	Target Options	285,563	US\$0.1497
January 22, 2026	Option Grant	Target Options	3,025,000	\$0.45
February 18, 2026	Private Placement ⁽¹⁾	Target Shares	470,588	\$0.85
February 18, 2026	Private Placement ⁽¹⁾	Target Warrants	99,999	\$0.45
March 13, 2026	Option Grant	Target Options	150,000	\$0.45
March 16, 2026	Private Placement	Target Shares	6,853,840	\$0.85
March 16, 2026	Private Placement Compensation	Compensation Options ⁽²⁾	479,768	\$0.85
March 20, 2026	Private Placement	Target Shares	3,280,140	\$0.85
March 20, 2026	Private Placement Compensation	Compensation Options ⁽³⁾	121,353	\$0.85
April 1, 2026	Financial Advisory Services	Compensation Options	2,000,000	\$0.85
April 7, 2026	Private Placement	Target Shares	70,588	\$0.85
April 7, 2026	Private Placement Compensation	Compensation Options ⁽⁴⁾	107,868	\$0.85
May 26, 2026	Option Grant	Target Options	470,000	\$0.85

Date Issued	Reason for Issuance	Type of Security	Number of Securities	Issuer/Exercise Price per Security
June 18, 2026	Option Grant	Target Options	250,000	\$1.00
June 26, 2026	Target Final Private Placement	Target Shares	210,000	\$1.00
July 22, 2026	Capital Markets Advisory Services ⁽⁵⁾	Target Shares	3,478,635	\$1.00

Note:

- (1) Private placement of units with each unit being comprised of one Target Share and 0.2125 of a Target Warrant. Each Target Warrant is exercisable for one Target Share at a price of \$0.45 until February 19, 2027.
- (2) Compensation options issued in connection with the March 16 Private Placement. Each compensation option is exercisable for one Target Share at a price of \$0.85 until March 16, 2028.
- (3) Compensation options issued in connection with the March 20 Private Placement. Each compensation option is exercisable for one Target Share at a price of \$0.85 until March 20, 2028.
- (4) Compensation options issued in connection with the April 7 Private Placement and as additional compensation for the March 20 Private Placement. Each compensation option is exercisable for one Target Share at a price of \$0.85 until April 7, 2028.
- (5) Paid to a consultant for capital markets advisory services rendered to the Target.

TRADING PRICE AND VOLUME

The following table sets out the price range and trading volume of the Common Shares on the CSE for the periods indicated below. Trading in the Common Shares has been halted since November 24, 2025, and accordingly no trading data is available after that date.

Period	High ⁽²⁾ (\$)	Low ⁽²⁾ (\$)	Volume ⁽³⁾
Dec 2024	0.3	0.15	178,097
Jan 2025	0.225	0.15	444,207
Feb 2025	0.225	0.15	69,885
Mar 2025	0.3	0.15	408,572
Apr 2025 ⁽⁴⁾	0.3	0.105	950,737
May 2025	0.165	0.13	62,627
Jun 2025	0.17	0.135	16,387
Jul 2025	0.17	0.14	46,637
Aug 2025	0.17	0.155	10,403
Sep 2025	0.165	0.14	115,674
Oct 2025	0.155	0.11	24,743
Nov 1–24, 2025	0.145	0.11	50,028
Nov 25–30, 2025⁽⁵⁾	n/a	n/a	nil (halted)

Notes:

- (1) Source/consolidated basis: The trading information above is derived from information provided by the CSE.
- (2) High/low not necessarily closing: High and low prices represent the highest and lowest reported trading prices during the applicable period and are not necessarily closing prices.
- (3) Volume: Volume represents the total number of Common Shares traded during the applicable period on a Canadian consolidated basis.
- (4) Share consolidation: The Company completed a 15-for-1 share consolidation, effective April 23, 2025.
- (5) Trading halt: Trading in the Common Shares has been halted effective November 24, 2025 pending receipt and review by the CSE of documentation regarding Transaction, accordingly, the table shows no trading activity for Nov 25-30, 2025.

The Target Shares were not listed on any stock exchange prior to the completion of the Transaction.

ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTIONS ON TRANSFER

Escrow Agreement

In accordance with NP 46-201, all common shares (the "**Escrowed Shares**") of an "emerging issuer" (as such term is defined in NP 46-201) which are owned or controlled by its Principals (as such term is defined below) will be escrowed at the time of the issuer's initial public offering, unless the shares held by the Principal or issuable to the Principal upon conversion of convertible securities held by the Principal,

represent less than 1% of the total issued and outstanding shares of the issuer after giving effect to the initial public offering. Upon completion of the Amalgamation, the Company is classified as an emerging issuer under NP 46-201.

In addition to the requirements of NP 46-201, the Principals have agreed that all Escrowed Shares shall remain in escrow until the Phase I exploration program set out in the Technical Report (See "*Description of Business – The Project – Recommendations and Budget*") has been completed and the results of the Phase I exploration program have been disseminated (the "**Phase I Completion Date**")

The following table sets out the Escrowed Shares pursuant to the terms of the Escrow Agreement:

Name	Designation of Class	Number Escrowed Securities held in Escrow	Percentage of Class ⁽¹⁾
Sir Sam Jonah	Common Shares	17,743,012	25.4%
Tom Griffiths	Common Shares	6,184,053	8.8%
Michael Nikiforuk	Common Shares	8,950,569 ⁽²⁾	12.8%
Kristen Scanes	Common Shares	1,500,000	2.1%
Elijah Nikiforuk	Common Shares	1,500,000	2.1%
Total:	Common Shares	35,877,634	51.20%

Notes:

- (1) Based on 69,808,269 issued and outstanding Common Shares as of the date of this Listing Statement (on a non-diluted basis).
- (2) 6,217,458 Common Shares are held personally by Mr. Nikiforuk and 2,733,111 Common Shares are held in trust by Irwin Lowy LLP.

The Escrowed Shares are expected to be subject to the release schedule specified in NP 46-201 for emerging issuers and as set out in the Escrow Agreement. Accordingly, the Escrowed Shares will be released according to the following schedule:

On the later of the Listing Date and the Phase I Completion Date	1/10 of the escrow securities
On the later of 6 months after the Listing Date and the Phase I Completion Date	1/6 of the remaining escrow securities
On the later of 12 months after the Listing Date and the Phase I Completion Date	1/5 of the remaining escrow securities
On the later of 18 months after the Listing Date and the Phase I Completion Date	1/4 of the remaining escrow securities
On the later of 24 months after the Listing Date and the Phase I Completion Date	1/3 of the remaining escrow securities
On the later of 30 months after the Listing Date and the Phase I Completion Date	1/2 of the remaining escrow securities
On the later of 36 months after the Listing Date and the Phase I Completion Date	The remaining escrow securities

Assuming there are no changes to the Escrowed Shares initially deposited and no additional Escrowed Shares are deposited, this will result in a 10% release on the later of the Listing Date and the Phase I Completion Date, with the remaining escrow securities being released in 15% tranches on the later of: every six months thereafter; or the Phase I Completion Date.

Pursuant to the terms of the Escrow Agreement, the Escrowed Shares may be transferred within escrow to an individual who is a director or senior officer of the Company, subject to the approval of the Board, or to a person or company that before the proposed transfer holds more than 20% of the voting rights attached to the Company's outstanding securities, or to a person or company that after the proposed transfer will hold more than 10% of the voting rights attached to the Company's outstanding securities and that has the right to elect or appoint one or more directors or senior officers of the Company. Pursuant to the terms of the

Escrow Agreement, upon the bankruptcy of a holder of escrowed securities, the securities held in escrow may be transferred within escrow to the trustee in bankruptcy or other person legally entitled to such securities. Upon the death of a holder of escrowed securities, all securities of the deceased holder will be released from escrow to the deceased holder's legal representative.

For the purposes of NP 46-201 "**Principals**" include all persons or companies that, on the completion of the initial public offering, fall into one of the following categories:

(a)	directors and senior officers of the issuer or a material operating subsidiary of the issuer, at the time of the initial public offering;
(b)	promoters of the issuer during the two years preceding the initial public offering;
(c)	those who own and/or control, directly or indirectly, more than 10% of the issuer's voting securities (on a fully diluted basis) immediately before and immediately after completion of the initial public offering and if they also have elected or appointed or have the right to elect or appoint a director or senior officer of the issuer or of a material operating subsidiary of the issuer;
(d)	those who own and/or control more than 20% of the issuer's voting securities (on a fully diluted basis) immediately before and immediately after completion of the initial public offering; and
(e)	the spouse(s) and relative(s) that live at the same address as any of the above.

PRINCIPAL SECURITYHOLDERS

Prior to the completion of the Transaction, to the knowledge of the directors and officers of the Company, no person or company beneficially owned, directly or indirectly, or exercised control or direction over, Common Shares carrying more than 10% of the voting rights attached to all outstanding Common Shares.

To the knowledge of the directors and executive officers of the Company, as of the date of this Listing Statement, the following Persons beneficially own, directly or indirectly, or exercise control, or direction over, voting securities of the Company carrying 10% or more of the voting rights attached the voting securities of the Company:

Name	Number of Common Shares Owned, Controlled or Directed (non-diluted)	Percentage of Outstanding Common Shares (non-diluted) on the date of the Listing Statement
Sir Sam Jonah	17,743,012	24.6%
Michael Nikiforuk	8,950,569	12.4%

Voting Trusts

To the knowledge of the Company, no voting trust exists within the Company such that more than 10% of any class of voting securities of the Company are held, or are to be held, subject to any voting trust or similar agreement.

Associates and Affiliates

To the knowledge of the Company, none of the principal Shareholders is an Associate or Affiliate of any other principal Shareholder.

DIRECTORS AND EXECUTIVE OFFICERS

The following table sets out, for each of the directors and executive officers of the Company following completion of the Transaction, the individual's name, province or state and country of residence, position with the Company, principal occupation and the date on which the individual became. The directors of the Company are expected to hold office until the next annual meeting of Shareholders. Directors are elected annually and, unless re-elected, retire from office at the end of the next annual meeting of Shareholders.

Name, Province or State and Country of Residence ⁽¹⁾	Position held	Director/Executive Officers since	Principal Occupation for the Past Five Years ⁽²⁾	Number of Common Shares ⁽¹⁾	Percentage of class ⁽³⁾
Michael Nikiforuk Ontario, Canada	CEO and Director	Completion of the Transaction	President of IKIN Corporation, a private mining consulting company, since 2015	8,950,569	12.8%
Winfield Ding Ontario, Canada	CFO	Completion of the Transaction	President, Oriental Sources Inc., a consulting company (from April 2006 to present); CFO, Sparton Resources Inc., a mineral resources company (from June 2011 to present); and CFO, Aurum Lake Mining Corp., a mineral resources company (from April 2024 to present)	nil	n/a
Sir Samuel E. Jonah ⁽⁴⁾ Ghana	Chairman and Director	Completion of the Transaction	Sir Samuel E. Jonah is Executive Chairman of Jonah Capital (Pty) Limited, an investment holding company in South Africa since 2007.	17,743,012	25.4%
Tom Griffis ⁽⁴⁾ Ontario, Canada	Executive Director and Director	Completion of the Transaction	Chairman and Chief Executive Officer of Griffis Capital Inc., a private investment and corporate management company, since 2000.	6,184,053	8.8%
Bobby Banson ⁽⁴⁾ Ghana	Director	Completion of the Transaction	Lead Consultant, Robert Smith Law Group, since 2015	nil	n/a
Dr. Robert (Bob) Griffis Ghana	Vice President – Exploration	Completion of the Transaction	Vice President – Exploration of Griffis Capital Inc., a private investment and corporate management company, since 2000	nil	n/a

Notes:

- (1) Information as to province or state and country of residence, principal occupation, securities beneficially owned or over which a director or officer exercises control or direction has been furnished by the respective individuals as of the date of this Listing Statement.
- (2) See "Directors and Executive Officers – Biographical Information Regarding the Directors and Officers" for additional information regarding the principal occupations of the Company's directors and officers.
- (3) Based on 69,808,269 issued and outstanding Common Shares as of the date of this Listing Statement.
- (4) Member of the Audit Committee.

As a group, the directors and executive officers of the Company beneficially own, or control or direct, directly or indirectly, an aggregate of 32,877,634 Common Shares, representing 47.1% of the Common Shares outstanding as at the date of this Listing Statement (on a non-diluted basis).

Biographical Information Regarding the Directors and Officers

The following are brief profiles of our executive officers and directors, including a description of each individual's principal occupation within the past five years.

Michael Nikiforuk, Chief Executive Officer and Director, Age 71

Mr. Nikiforuk has focused the past 20 years of his business career on business opportunities contained within the natural resource sector. Mr. Nikiforuk was the Founder, past President and a director of African Gold Group, Inc., having served the company since inception in October 2002, through March 2017. Under Michael's leadership African Gold Group raised approximately \$50 million in exploration and development capital and assembled a team of technical professionals with decades of work experience throughout the continent of Africa. Mr. Nikiforuk's team was responsible for the evaluation and ranking of a considerable volume of projects that ultimately resulted in the acquisition and assembly of multiple licenses, collectively forming a contiguous block of ground in Ghana, West Africa and subsequently (2005-'06) Mali, West Africa. This multi-year endeavour included multiple levels of negotiations with government officials in both jurisdictions, as well as direct negotiations with a major European Parastatal organization, that culminated in the 2006 acquisition of what would become African Gold Group's flagship asset – the Kobada Gold Project, located in Mali, West Africa. Mr. Nikiforuk departed African Gold Group in March of 2017, following the sale of control of the company in March, 2017. Mr. Nikiforuk holds a Bachelor of Arts degree (Economics) from the University of Western Ontario ('79).

Mr. Nikiforuk will be an independent contractor of the Company and expects to devote 75% of his time to the affairs of the Company. Mr. Nikiforuk and the Company entered into the CEO Agreement which contains confidentiality provisions. Mr. Nikiforuk has not entered into a non-competition agreement with the Company.

Winfield Yongbiao Ding – Chief Financial Officer, Age 57

Mr. Ding is a Canadian Chartered Professional Accountant (CPA, CA) and senior finance executive who has served as CFO and director for multiple Canadian and U.S. public companies. His background spans more than 20 years across audit, taxation, financial reporting, and cross border advisory work. He has played key roles in initial public offerings and reverse takeover transactions on the TSX Venture Exchange, and is known for his expertise in public issuer financial reporting, complex cross border structuring, and supporting foreign investors operating in Canada. Mr. Ding holds an MBA from the Chinese University of Hong Kong and is a Chartered Professional Accountant of Ontario.

Mr. Ding will be an independent contractor of the Company and expects to devote 20% of his time to the affairs of the Company. Mr. Ding is subject to the CFO Agreement which contains confidentiality provisions. Mr. Ding has not entered into a non-competition agreement with the Company.

Sir Samuel E. Jonah, Non-Executive Chairman and Director, Age 76

Sir Samuel E. Jonah, an expert in the global mining sector, particularly in Africa, has extensive listed company experience, having served on the boards of directors of various public and private companies, including Ashanti Goldfields, Anglo Ashanti, Moto Gold Mines, Vodafone Group plc, the Global Advisory Council of the Bank of America Corporation and Standard Bank Group, Roscan Gold and a Non-Executive Director of Grit Real Estate Income Group Limited. Sir Jonah is currently the Chairman of Helios Towers; a leading independent telecom infrastructure company focused on Africa and the Middle East. Sir Jonah became the first Ghanaian to be knighted in the 21st century when he was presented with an honorary knighthood in recognition of his achievements as an African businessman, a leading business executive from the Commonwealth, and an international public figure. Sir Jonah was elected in 2018 as a foreign

member of the United States National Academy of Engineering in recognition of his distinguished leadership and technical contributions to engineering and for advancing the mineral industry in Africa.

Sir Jonah expects to devote 20% of his time to the affairs of the Company. Sir Jonah has not entered into a non-competition or non-disclosure agreement with the Company.

Tom Griffis, Executive Director and Director, Age 85

Mr. Griffis is the founder of Griffis Capital Inc. ("GCI"), a private investment and corporate management firm established in 1986 and headquartered in Toronto, Ontario. GCI has historically focused on providing early to mid-stage financing and strategic guidance to emerging market companies, particularly in the natural resources sector. Under Mr. Griffis' leadership, GCI played a pivotal role in advancing resource-based projects across West Africa, Kazakhstan, South America, the United States, and Canada. He founded several gold exploration and development companies and served on the boards of directors of both private and publicly listed entities. A distinguished former officer in the Royal Canadian Air Force, Mr. Griffis retired in 1984 with the rank of Lieutenant Colonel. Mr. Griffis served as a member of the famed Snowbirds aerobatic squadron in 1973–1974 and returned as Team Leader in 1979–1980. Mr. Griffis was selected as Commanding Officer in recognition of his strong leadership skills and exceptional public relations acumen—qualities that continue to define his approach to business and exploration today.

Mr. Griffis expects to devote 75% of his time to the affairs of the Company. Mr. Griffis and the Company entered into the Executive Agreement which contains confidentiality provisions. Mr. Griffis has not entered into a non-competition agreement with the Company.

Bobby Banson – Director, Age 38

Mr. Banson is qualified to practice law in Ghana and is a Fellow of the Chartered Institute of Arbitrators (FCIArb). Mr. Banson has an LL.M in International Business Law from the University of Brussels (ULB) and a Certificate of Advanced Studies in Arbitration from the Universities of Lucerne and Neuchâtel in Switzerland. Mr. Banson provided legal counsel for numerous companies with interest in real estate, extractive industries, hospitality, trading, gaming and the entertainment industry. Mr. Banson teaches Civil Procedure and Alternative Dispute Resolution at the Ghana School of Law. He is the author of the book "*Civil Litigation in the High Court of Ghana*" (2022) and Commercial Arbitration in Ghana-Practice and Procedure (2024) and has several peer reviewed legal articles on the subject of arbitration and litigation published in his name.

Mr. Banson expects to devote 10% of his time to the affairs of the Company. Mr. Banson has not entered into a non-competition or non-disclosure agreement with the Company.

Dr. Robert (Bob) Griffis – Vice President – Exploration, Age 84

Dr. Griffis is a senior geologist with decades of international experience in mineral exploration, project evaluation, and mine development, with a primary focus on gold projects. He has held executive and advisory roles including Vice President of Exploration, General Manager, Director, and long-standing Consulting Geologist to junior and major mining companies.

Dr. Griffis has extensive experience across West and Central Africa—particularly Ghana—where he is recognized for his deep technical expertise in Birimian greenstone belts, alluvial and bedrock gold deposits, and project generation. His work has contributed to the discovery, advancement, and development of multiple gold projects that subsequently became producing mines, representing several million ounces of gold production. He has also advised government agencies, including Ghana's Minerals Commission, and is the lead or co-author of several authoritative geological publications, most notably Gold Deposits of Ghana.

Dr. Griffis holds a PhD in Geology from Washington State University and is a member of geological associations in Canada and Ghana.

Dr. Griffis will be an independent contractor of the Company and expects to devote 75% of his time to the affairs of the Company.

Corporate Cease Trade Orders and Bankruptcies

Other than as set out below, to the Company's knowledge, no director or executive officer or promoter of the Company is, as at the date of this Listing Statement, or was within 10 years before the date hereof, a director, CEO or CFO of any person or corporation, including the Company, that:

- (a) was subject to (i) a cease trade order; (ii) an order similar to a cease trade order; or (iii) an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days (an "**Order**") that was issued while the director or executive officer or promoter was acting in the capacity of a director, the CEO, or the CFO thereof; or
- (b) was subject to an Order that was issued after the director or executive officer or promoter ceased to be a director, the CEO or the CFO thereof and which resulted from an event that occurred while that Person was acting in such capacity.

Other than as set out below, no director or executive officer of the Company, within 10 years before the date of this Listing Statement, has been a director or executive officer of any company that, while the director or executive officer was acting in that capacity, or within a year of the director or executive officer ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Arthur Thomas Griffis

Mr. Griffis was a director and officer of EV Minerals Corporation, which was subject to cease trade orders resulting from failure to file financial statements as issued by the OSC on May 15, 2012, by the Alberta Securities Commission ("**ASC**") on August 12, 2012, by the British Columbia Securities Commission ("**BCSC**") on May 9, 2012, and by the Manitoba Securities Commission ("**MSC**") on July 9, 2012. These cease trade orders were revoked on July 27, 2020 by each of the OSC, ASC, BCSC and MSC.

Winfield Ding

Mr. Ding is the Chief Financial Officer of Silo Wellness Inc. ("**Silo**"), which was subject to a cease trade order resulting from failure to file financial statements as issued by the OSC on March 6, 2023. The cease trade order was revoked on April 6, 2023. Silo is currently subject to a cease trade order resulting from failure to file financial statements as issued by the OSC on March 5, 2024. As of the date of this Listing Statement, the cease trade order has not been revoked.

Mr. Ding is the Chief Financial Officer of The Mint Corporation ("**Mint**"), which was subject to a cease trade order resulting from failure to file financial statements as issued by the OSC on May 2, 2023. The cease trade order was revoked on June 20, 2023. Mint is currently subject to a cease trade order resulting from failure to file financial statements as issued by the OSC on May 7, 2024. As of the date of this Listing Statement, the cease trade order has not been revoked.

Mr. Ding was the Chief Financial Officer of TWX Group Holding Limited ("**TWX Group**"), which was subject to a cease trade order resulting from failure to file financial statements as issued by the OSC and

the BCSC on January 5, 2017. These cease trade orders were revoked on December 22, 2017 by each of the OSC and BCSC. TWX Group was subject to a cease trade order resulting from failure to file financial statements as issued by the OSC and the BCSC on January 5, 2018. These cease trade orders were revoked on April 6, 2018 by each of the OSC and BCSC.

Mr. Ding is the Chief Financial Officer of Wesana Health Holdings Inc. which is currently subject to a cease trade order resulting from failure to file financial statements as issued by the BCSC on May 7, 2025. As of the date of this Listing Statement, the cease trade order has not been revoked.

Personal Bankruptcies

None of the directors or executive officers of the Company have, within the 10 years before the date of this Listing Statement become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of such person.

Penalties or Sanctions

To the Company's knowledge, no director or executive officer or promoter of the Company or a Shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company, has been subject to:

- (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Conflicts of Interest

Conflicts of interest may arise as a result of the directors and officers of the Company also holding positions as directors or officers of other companies. Some of the individuals who are or will be directors and officers of the Company have been and will continue to be engaged in the identification and evaluation of assets, businesses and companies on their own behalf and on behalf of other companies, and situations may arise where the directors and officers of the Company will be in direct competition with the Company. Directors of the Company will be bound by the provisions of the OBCA to act honestly and in good faith with a view to the best interests of the Company and to disclose any interests, which they may have in any project or opportunity the Company may have. If a conflict of interest arises at a meeting of the Board, any director in a conflict will disclose his interest and abstain from voting on such matter.

To the best of the knowledge of the Company, and other than disclosed herein, there are no known existing or potential conflicts of interest among the directors and officers of the Company or other members of management or of any proposed promoter, director, officer or other member of management of the Company as a result of their outside business interests except that certain of the directors and officers serve as directors and officers of other companies, and therefore it is possible that a conflict may arise between their duties to the Company and their duties as a director or officer of such other companies.

EXECUTIVE COMPENSATION

Overview

Under applicable securities legislation, the Company is required to disclose in this Listing Statement certain financial and other information relating to the compensation paid for each of the Company's two most recently completed financial years to (i) the CEO and the CFO of the Company, (ii) the three most highly compensated executive officers of the Company, in addition to the CEO and the CFO of the Company, regardless of the amount of their compensation and (iii) the directors of the Company.

The Company is a "venture issuer" for the purposes of this section of this Listing Statement. The following information is presented in accordance with Form 51-102F6V – *Statement of Executive Compensation – Venture Issuers* and provides (i) details of the compensation paid to the NEOs and the directors of the Company; and (ii) details of all proposed compensation for each director and NEO of the Company for the first 12 months following the Closing Date.

During the financial year ended March 31, 2026, the Company had two NEOs, namely Jody Aufrichtig, CEO, Executive Chairman and a director and Adri Botha, CFO.

As of the date hereof, the Company completed the Transaction and reconstituted its executive officers and board of directors, such that each of Jody Aufrichtig, Dr. Neil Maresky, Warwick Corden-Lloyd, Adri Botha, Alan Friedman and Christopher Michael Bull resigned from their respective officer positions and directorships resigned from their respective positions on July 27, 2026. The Company's NEOs and directors following the Closing are Michael Nikiforuk, CEO and director, the former CEO and a director of the Target, Winfield Yongbiao Ding, CFO, the former CFO of the Target, Tom Griffis, Executive Director and director, the former Executive Director and a director of the Target, Sir Sam Jonah, Non-Executive Chairman and director, the former Non-Executive Chairman and a director of the Target, and Bobby Banson.

Summary Compensation Table

The Company prior to the completion of the Transaction

The following table sets forth the compensation paid directly or indirectly for the financial years ended March 31, 2026 and 2025, the two most recently completed financial years of the Company, to the NEOs and the directors of the Company prior to the completion of the Transaction.

TABLE OF COMPENSATION EXCLUDING COMPENSATION SECURITIES							
Name and position	Period ⁽¹⁾	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Jody Aufrichtig ⁽¹⁾ Former Chief Executive Officer, Executive Chairman and Director	2026	47,760	nil	nil	nil	39,845	87,605
	2025	301,774	nil	nil	nil	26,138	327,912
Dr. Neil Maresky ⁽²⁾ Former Chief Executive Officer	2026	nil	nil	nil	nil	nil	nil
	2025	nil	nil	nil	nil	nil	nil
Warwick Corden-Lloyd ⁽³⁾ Former Chief Financial Officer, Company Secretary and Director	2026	42,353	nil	nil	nil	26,032	68,385
	2025	258,136	nil	nil	nil	17,482	275,618

Adri Botha ⁽⁴⁾ Former Chief Financial Officer	2026	13,622	nil	nil	nil	8,613	19,582
	2025	13,161	nil	nil	nil	nil	13,161
Alan Friedman ⁽⁵⁾ Former Director	2026	nil	nil	nil	nil	24,514	24,514
	2025	nil	nil	nil	nil	24,511	24,551

Notes:

- (1) Mr. Jody Aufrichtig was appointed as CEO and director of the Company on January 19, 2021. Mr. Aufrichtig was appointed Executive Chairman on June 25, 2021 (with effect from July 1, 2021) and resigned as CEO on June 25, 2021 (with effect from July 1, 2021). For the years ended March 31, 2026 and 2025, Mr. Aufrichtig's compensation earned was entirely for his role as CEO and a director of Psyence Biomedical and he earned no salary, consulting fee, retainer or commission for his roles as CEO and a director of the Company.
- (2) Dr. Neil Maresky was appointed as CEO on June 25, 2021 (with effect from July 1, 2021) and resigned from such position effective March 11, 2024. Dr. Maresky's compensation earned during the years ended March 31, 2026 and March 31, 2025 was entirely for his role as CEO.
- (3) Mr. Warwick Corden-Lloyd was appointed as CFO and Company Secretary of the Company on January 19, 2021 and resigned from such position effective March 11, 2024. For the years ended March 31, 2026 and 2025, Mr. Corden-Lloyd compensation earned was entirely for his role as CFO of Psyence Biomedical. and he earned no salary, consulting fee, retainer or commission for his role as a director of the Company.
- (4) Mrs. Adri Botha was appointed as CFO on March 11, 2024. Her compensation earned during years ended March 31, 2025 and 2024 was entirely for her role as CFO.
- (5) Mr. Alan Friedman was appointed as director of the Company on March 3, 2021. The compensation disclosed in the table above does not include the total service fee of \$nil earned by Bayline Capital Partners Inc. (a company related to Mr. Friedman) in performing the services of Capital Markets Advisor to the Company for the years ended March 31, 2026 and 2025.

Stock Options and Other Compensation Securities

The Company

The following table discloses all compensation securities issued during the financial year ended March 31, 2026, and remained outstanding as of the end of financial year ended March 31, 2026 to each NEO and director for services provided, or to be provided directly or indirectly, to the Company or any subsidiary thereof are as follows:

Compensation Securities								
Name and position	Compensation Security	Number of Underlying Securities of unexercised Compensation Securities and percentage of class	Grant Date	Exercise Price (\$)	Number of Compensation on Securities exercised	Closing Price of Underlying Security on Date of Grant	Closing Price of Underlying Security at Year end	Expiry Date
Jody Aufrichtig ⁽¹⁾ Former Chief Executive Officer, Executive Chairman and Director	Options	35,667 (9%)	Mar 31, 2023	0.14	Nil	0.13	0.13	March 31, 2028
	RSUs	22,222	Mar 31, 2023	Nil	22,222 ⁽⁵⁾	0.13	0.13	Dec 31, 2026
	RSUs	104,214	April 1, 2025	Nil	52,107 ⁽⁵⁾	0.069	0.12	Dec 31, 2030
	RSUs	245,000	Oct 8, 2025	Nil	Nil	0.1142	0.12	Dec 31, 2030

Compensation Securities								
Name and position	Compensation Security	Number of Underlying Securities of unexercised Compensation Securities and percentage of class	Grant Date	Exercise Price (\$)	Number of Compensation Securities exercised	Closing Price of Underlying Security on Date of Grant	Closing Price of Underlying Security at Year end	Expiry Date
Warwick Corden-Lloyd ⁽²⁾ Former Chief Financial Officer, Company Secretary and Director	Options	13,333 (10%)	Mar 31, 2023	0.14	Nil	0.13	0.13	March 31, 2028
	RSUs	9,889	Mar 31, 2023	Nil	9,889 ⁽⁵⁾	0.13	0.13	Dec 31, 2026
	RSUs	104,214	April 1, 2025	Nil	52,107 ⁽⁵⁾	0.069	0.12	Dec 31, 2030
	RSUs	75,724	Oct 8, 2025	Nil	Nil	0.1142	0.12	Dec 31, 2030
Adri Botha ⁽³⁾ Former Chief Financial Officer	Options	2,666 (2%)	Mar 31, 2023	0.14	Nil	0.13	0.13	March 31, 2028
	RSUs	2,222	Mar 31, 2023	Nil	2,222 ⁽⁵⁾	0.13	0.13	Dec 31, 2026
	RSUs	44,444	April 1, 2025	Nil	22,222 ⁽⁵⁾	0.069	0.12	Dec 31, 2030
	RSUs	10,000	Oct 8, 2025	Nil	Nil	0.1142	0.12	Dec 31, 2030
Alan Friedman ⁽⁴⁾ Former Director	Options	10,000 (8%)	Mar 31, 2023	0.14	Nil	0.13	0.13	March 31, 2028
	RSUs	6,667	Mar 31, 2023	Nil	6,667 ⁽⁵⁾	0.13	0.13	Dec 31, 2026
	RSUs	104,214	April 1, 2025	Nil	52,107 ⁽⁵⁾	0.069	0.12	Dec 31, 2030
	RSUs	166,835	Oct 8, 2025	Nil	Nil	0.1142	0.12	Dec 31, 2030

Notes:

- (1) The total amount of compensation securities and underlying securities held was 407,103 (35,667 Options and 371,436 RSU's) as at March 31, 2026. Options expire March 28, 2028. Vesting conditions of the 22,222 RSU's: one third vested on March 31, 2024, one third vested on March 31, 2025 and one third vested on March 30, 2026. Vesting conditions of the 104,214 RSU's: one third vested on April 1, 2025, one third vests on April 8, 2026 and one third vests on April 1, 2027. Vesting conditions of the 245,000 RSU's: one third vests on April 8, 2026, one third vests on October 8, 2026 and one third vests on April 8, 2027.
- (2) The total amount of compensation securities and underlying securities held was 203,160 (13,333 Options and 189,827 RSU's) as at March 31, 2026. Options expire March 28, 2028. Vesting conditions of the 9,889 RSU's: one third vested on March 31, 2024, one third vested on March 31, 2025 and one third vested on March 30, 2026. Vesting conditions of the 104,214 RSU's: one third vested on April 1, 2025, one third vests on April 8, 2026 and one third vests on April 1, 2027. Vesting conditions of the 75,724 RSU's: one third vests on April 8, 2026, one third vests on October 8, 2026 and one third vests on April 8, 2027.
- (3) The total amount of compensation securities and underlying securities held was 59,333 (2,666 Options and 56,667 RSU's) as at March 31, 2026. Options expire March 28, 2028. Vesting conditions of the 2,222 RSU's: one third vested on March 31, 2024, one third vested on March 31, 2025 and one third vested on March 30, 2026. Vesting conditions of the 44,444 RSU's: one third vested on April 1, 2025,

- one third vests on April 8, 2026 and one third vests on April 1, 2027. Vesting conditions of the 10,000 RSU's: one third vests on April 8, 2026, one third vests on October 8, 2026 and one third vests on April 8, 2027.
- (4) The total amount of compensation securities and underlying securities held was 287,716 (10,000 Options and 277,716 RSU's) as at March 31, 2026. Options expire March 28, 2028. Vesting conditions of the 6,667 RSU's: one third vested on March 31, 2024, one third vested on March 31, 2025 and one third vested on March 30, 2026. Vesting conditions of the 104,214 RSU's: one third vested on April 1, 2025, one third vests on April 8, 2026 and one third vests on April 1, 2027. Vesting conditions of the 166,835 RSU's: one third vests on April 8, 2026, one third vests on October 8, 2026 and one third vests on April 8, 2027.
- (5) Please see "Exercise of Compensation Securities by Directors and NEOs" below for additional details.

Exercise of Compensation Securities by Directors and NEOs

The options or other compensation securities exercised by directors and NEOs of the Company or any subsidiary thereof in the year ended March 31, 2026 were as follows:

Exercise of compensation securities by directors and NEO's							
Name and position	Type of Compensation Security	Number of Underlying Securities Exercised	Exercise price per security (\$)	Date of exercise	Closing Price per security on date of exercise (\$)	Difference between exercise price and closing price on date of exercise (\$)	Total value on exercise date (\$)
Jody Aufrichtig ⁽¹⁾ Former Chief Executive Officer, Executive Chairman and Director	RSU	74,330	Nil	June 12, 2025	0.14	0.14	10,406
Warwick Corden-Lloyd ⁽²⁾ Former Chief Financial Officer, Company Secretary and Director	RSU	61,996	Nil	June 12, 2025	0.14	0.14	10,406
Adri Botha ⁽³⁾ Former Chief Financial Officer	RSU	24,444	Nil	June 12, 2025	0.14	0.14	10,406
Alan Friedman ⁽⁴⁾ Former Director	RSU	58,774	Nil	June 12, 2025	0.14	0.14	10,406

Notes:

- (1) Mr. Aufrichtig served as Executive Chairman and a director of the Company during the relevant period. The compensation securities disclosed relate to his service in such capacities. Restricted share units were granted under the RSU plan of the Company in place prior to the completion of the Transaction and represent the right to receive one Common Share upon vesting, for no additional consideration.
- (2) Mr. Corden-Lloyd served as a director of the Company during the relevant period. The compensation securities disclosed relate to his service in such capacities. Restricted share units were granted under the RSU plan of the Company in place prior to the completion of the Transaction and represent the right to receive one Common Share upon vesting, for no additional consideration.
- (3) Ms. Botha served as CFO of the Company during the relevant period. The compensation securities disclosed relate to her service in such capacity. Restricted share units were granted under the RSU plan of the Company in place prior to the completion of the Transaction and represent the right to receive one Common Share upon vesting, for no additional consideration.
- (4) Mr. Friedman served as a director of the Company during the relevant period. The compensation securities disclosed relate to his service as a director. The amounts disclosed do not include fees paid to Bayline Capital Partners Inc., a company related to Mr. Friedman, for services provided to the Company prior to the completion of the Transaction. Restricted share units were granted under the RSU plan of the Company in place prior to the completion of the Transaction and represent the right to receive one Common Share upon vesting, for no additional consideration.

The Target

The compensation securities granted or issued to a director or NEO by the Target or any subsidiary thereof during the period from incorporation on March 7, 2025 to March 31, 2026, for services provided, or to be provided directly or indirectly, to the Target or any subsidiary thereof is as follows:

Compensation Securities								
Name and position	Compensation Security	Number of Underlying Securities of unexercised Compensation Securities and percentage of class	Grant Date	Exercise Price (\$)	Number of Compensation on Securities exercised	Closing Price of Underlying Security on Date of Grant	Closing Price of Underlying Security at Year end	Expiry Date
Sir Sam Jonah Non-Executive Chairman	275,000 Target Options	275,000 Target Shares (0.43%)	January 22, 2026	\$0.45	nil	\$0.45	\$0.85	January 22, 2031
Michael Nikiforuk CEO and Director	275,000 Target Options	275,000 Target Shares (0.43%)	January 22, 2026	\$0.45	nil	\$0.45	\$0.85	January 22, 2031
Winfield Ding CFO	250,000 Target Options	250,000 Target Shares (0.39%)	January 22, 2026	\$0.45	nil	\$0.45	\$0.85	January 22, 2031
Tom Griffis Executive Director and Director	275,000 Target Options	275,000 Target Shares (0.43%)	January 22, 2026	\$0.45	nil	\$0.45	\$0.85	January 22, 2031
Elia Crespo Former Director	250,000 Target Options	250,000 Target Shares (0.39%)	January 22, 2026	\$0.45	nil	\$0.45	\$0.85	January 22, 2031
Dr. Robert (Bob) Griffis Vice President – Exploration	750,000 Target Options	750,000 Target Shares (1.18%)	January 22, 2026	\$0.45	nil	\$0.45	\$0.85	January 22, 2031

As at the date of this Listing Statement, the Board has not made any decision on issuing any compensation securities to the NEOs and the directors of the Company following the Closing Date.

Stock Option Plans and Other Incentive Plans

The LTIP was approved by the Shareholders on May 19, 2026. For further details on the LTIP please refer to "*Options to Purchase Securities*" in this Listing Statement.

Employment, Consulting and Management Agreements

The Company has in place the following employment, consulting and management agreements. Such agreements were entered into by the Target prior to Closing and continue in place as agreements of the Company following the Closing.

Michael A. J. Nikiforuk – CEO

The Target entered into a consulting agreement dated January 15, 2026, (the "**CEO Agreement**") with IKIN Corporation Inc. (the "**CEO Consultant**") for the services of Michael A. J. Nikiforuk as CEO of the Target, now the CEO of the Company. Pursuant to the CEO Agreement, the CEO Consultant will receive

remuneration in the amount of \$13,575 per month (the "**CEO Fees**") plus any reasonable out-of-pocket expenses. The CEO Consultant may also be eligible for an annual discretionary bonus (the "**CEO Bonus**").

The term of the CEO Agreement commenced on January 15, 2026, and continues on a monthly basis until terminated in accordance with the terms of the CEO Agreement.

The Company may terminate the CEO Agreement for just cause without paying the CEO Consultant any further amounts of the CEO Fees. Upon such termination, the Company will pay to the CEO Consultant any CEO Fees and expenses due as of the effective date of termination. The CEO Agreement may be terminated by the Company in its discretion by providing the CEO Consultant with a written notice of the termination of the CEO Agreement which specifies the date upon which the CEO Agreement terminates. Upon termination, the Company will pay the CEO Consultant, within 15 days after the date of termination, an aggregate amount equal to (a) 30 months of CEO Fees in effect at the time of termination; plus (b) any unpaid CEO Bonus; plus (c) an average of any CEO Bonuses awarded during the three financial years preceding the termination date; plus (d) out-of-pocket expenses incurred prior to the termination date (collectively the "**CEO Termination Pay**").

The CEO Consultant may terminate the CEO Agreement by giving a 60 days' written notice of termination (the "**CEO Notice Period**") to the Company, in which case the Company will advise the CEO Consultant of the last day on which it wishes the CEO Consultant to continue providing services to the Company during the CEO Notice Period. In the event of such termination by the CEO Consultant, the Company will only be liable to the CEO Consultant for any CEO Fees and expenses due as of the effective date of termination. In the event of a change of control of the Company, the CEO Consultant has the right, for a period of 30 days following the change of control, to elect to terminate the CEO Agreement, in which case, the CEO Consultant is entitled to the CEO Termination Pay.

A. Thomas Griffis – Executive Director

The Target entered into a consulting agreement dated January 15, 2026, (the "**Executive Agreement**") with A. Thomas Griffis (the "**Executive Consultant**") for the services of Mr. Griffis as Executive Director of the Target, now the Executive Director of the Company. Pursuant to the Executive Agreement, the Executive Consultant will receive remuneration in the amount of \$13,575 per month (the "**Executive Fees**") plus any reasonable out-of-pocket expenses. The Executive Consultant may also be eligible for an annual discretionary bonus (the "**Executive Bonus**").

The term of the Executive Agreement commenced on January 15, 2026, and continues on a monthly basis until terminated in accordance with the terms of the Executive Agreement.

The Company may terminate the Executive Agreement for just cause without paying the Executive Consultant any further amounts of the Executive Fees. Upon such termination, the Company will pay to the Executive Consultant any Executive Fees and expenses due as of the effective date of termination. The Executive Agreement may be terminated by the Company in its discretion by providing the Executive Consultant with a written notice of the termination of the Executive Agreement which specifies the date upon which the Executive Agreement terminates. Upon termination, the Company will pay the Executive Consultant, within 15 days after the date of termination, an aggregate amount equal to (a) 30 months of Executive Fee in effect at the time of termination; plus (b) any unpaid Executive Bonus; plus (c) an average of any Executive Bonuses awarded during the three financial years preceding the termination date; plus (d) out-of-pocket expenses incurred prior to the termination date (collectively the "**Executive Termination Pay**").

The Executive Consultant may terminate the Executive Agreement by giving a 60 days' written notice of termination (the "**Executive Notice Period**") to the Company, in which case the Company will advise the

Executive Consultant of the last day on which it wishes the Executive Consultant to continue providing services to the Company during the Executive Notice Period. In the event of such termination by the Executive Consultant, the Company will only be liable to the Executive Consultant for any Executive Fees and expenses due as of the effective date of termination. In the event of a change of control of the Company, the Executive Consultant has the right, for a period of 30 days following the change of control, to elect to terminate the Executive Agreement, in which case, the Executive Consultant is entitled to the Executive Termination Pay.

Winfield Ding – CFO

The Target entered into a consulting services agreement dated September 16, 2025, (the "**CFO Agreement**") with Oriental Sources Inc. (the "**CFO Service Provider**") for accounting, financial reporting, taxation and related compliance services, as well as business and management consultation services, as requested and agreed from time to time between the Target, now the Company, and the CFO Service Provider. Under the CFO Agreement, Winfield Ding, CPA, CA of the CFO Service Provider and one of his assistants (Anna Chen) were assigned by the CFO Service Provider to serve the Target, now the Company.

Pursuant to the CFO Agreement, the CFO Service Provider will receive remuneration in the amount of \$6,000 per month plus applicable taxes as well as any pre-approved travel expenses and other necessary out-of-pocket expenses. In addition, the CFO Service Provider is eligible to be granted stock options under any share incentive plan the Company may adopt from time to time.

The term of the CFO Agreement commenced on September 16, 2025 and ends on September 16, 2026 (the "**CFO Initial Term**"), unless terminated pursuant to the terms of the CFO Agreement. Unless earlier terminated, the CFO Agreement is automatically extended for a period of one year (each such period a "**CFO Additional Term**") upon the expiration of the CFO Initial Term or any CFO Additional Term, unless 90 days prior to the end of the CFO Additional Term, the Company or the CFO Service Provider give written notice to the other party stating that the term of the CFO Agreement may not be extended.

Either the Company or the CFO Service Provider may terminate the CFO Agreement for cause in which case the CFO Agreement terminates immediately.

Securities Authorized for Issue Under Equity Compensation Plans

The following table sets forth information with respect to all compensation plans of the Company under which equity securities are authorized for issue as of the date of this Listing Statement:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (#)	Weighted-average exercise price of outstanding options, warrants and rights (\$)	Number of securities remaining available for future issuance under equity compensation plans (#)
Equity compensation plans approved by Shareholders – Options	4,199,457	0.50	3,003,443
Equity compensation plans approved by Shareholders – RSUs/PSUs	Nil RSUs	n/a	6,930,040 RSUs and PSUs
Equity compensation plans not approved by Shareholders	n/a	n/a	n/a
Total	4,297,456	0.48	9,835,484

Oversight and Description of Director and Executive Compensation

Compensation of Directors

The Board determines the compensation payable to the directors of the Company reviews such compensation periodically throughout the year. For their role as directors of the Company, each director of the Company who is not an NEO may, from time to time, be awarded stock option-based awards.

Compensation of NEOs

Principles of Executive Compensation

The primary components of the Company's executive compensation will be base salary and stock option-based awards. The mix between base salary and incentives will be reviewed and tailored to each executive based on their role within the organization as well as their own personal circumstances. The overall goal is to successfully link compensation to the interests of the Shareholders. The following principles form the basis of the Company's executive compensation program:

1. align interest of executives and shareholders;
2. attract and motivate executives who are instrumental to the success of the Company and the enhancement of shareholder value;
3. pay for performance;
4. ensure compensation methods have the effect of retaining those executives whose performance has enhanced the Company's long-term value; and
5. connect, if possible, the Company's employees into principles 1 through 4 above.

The Board is responsible for the Company's compensation policies and practices, the compensation of the directors of the Company and the NEOs, annual bonuses and grants of stock option-based awards to eligible persons and reviews and approves the hiring of executive officers.

Base Salary

The Board approves the salary ranges for the NEOs. The base salary review for each NEO is based on assessment by the Board of factors such as current competitive market conditions, compensation levels within the peer group and particular skills, such as leadership ability and management effectiveness, experience, responsibility and proven or expected performance of the particular individual. No specific weightings will be assigned to each factor, but rather, a subjective determination will be made based on a general assessment of the performance of the individual relative to such factors.

Annual Incentives

The Board as a whole is responsible for reviewing the adequacy and form of compensation paid to the Company's executives and key employees. The Board is responsible for determining all forms of compensation, including long-term incentives in the form of Options to be granted to directors, officers and consultants of the Company. The Board is also responsible for reviewing recommendations for compensation of the NEOs of the Company, to ensure such arrangements reflect the responsibilities and risks associated with each position.

When determining the compensation of the officers of the Company, the Board will consider: (i) recruiting and retaining officers critical to the success of the Company and the enhancement of shareholder value; (ii) providing fair and competitive compensation; (iii) balancing the interests of management and the Company's shareholders; and (iv) rewarding performance, both on an individual basis and with respect to operations in general. The Board will conduct reviews with regard to directors' compensation once a year.

Compensation and Measurements of Performance

It is the intention of the Board, if necessary, to approve targeted amounts of annual incentives for each NEO at the beginning of each financial year. The targeted amounts will be determined by the Board based on a number of factors, including comparable compensation of similar companies.

Achieving predetermined individual and/or corporate targets and objectives, as well as general performance in day-to-day corporate activities, will trigger the award of a bonus payment to the NEOs. The NEOs will receive a partial or full incentive payment depending on the number of the predetermined targets met and the Board's assessment of overall performance. The determination as to whether a target has been met will ultimately be made by the Board and the Board will reserve the right to make positive or negative adjustments to any bonus payment if they consider them to be appropriate.

Long Term Compensation

For details on the LTIP please refer to "*Options to Purchase Securities*" in this Listing Statement.

Pension Disclosure

The Company does not have any pension plan benefits in place.

Termination and Change of Control Benefits

Except as disclosed under "*Executive Compensation – Employment, Consulting and Management Contracts*", above, the Company has no contract, agreement, plan or arrangement that provides for payments to an NEO, at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change of control of the Company or a change in the NEOs responsibilities.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

Management is not aware of any indebtedness (other than routine indebtedness) outstanding by any of the Company's directors, executive officers or any of their Associates, or any guarantees, support agreements, letters of credit or similar arrangements provided by the Company to these individuals.

AUDIT COMMITTEE

Audit Committee

The Company is a "venture issuer" (as that term is defined in NI 52-110) for the purposes of this section of the Listing Statement. Certain information regarding the Audit Committee of a "venture issuer" is required to be included in this Listing Statement. The following information is presented in accordance with Form 52-110F2 – *Disclosure by Venture Issuers*

The Audit Committee is principally responsible for:

- (a) recommending to the Board the external auditor to be nominated for election by the Shareholders at each annual general meeting of Shareholders and negotiating the compensation of such external auditor;
- (b) overseeing the work of the external auditor;
- (c) reviewing the Company's annual and interim financial statements, management discussion and analysis and press releases regarding earnings before they are reviewed and approved by the Board and publicly disseminated by the Company; and
- (d) reviewing the Company's financial reporting procedures and internal controls to ensure adequate procedures are in place for the Company's public disclosure of financial information extracted or derived from its financial statements, other than disclosure described in the previous paragraph.

In performing its duties, the Audit Committee maintains effective working relationships with the Board, management, and the external auditors. To effectively perform his or her role, each Audit Committee member must obtain an understanding of the principal responsibilities of committee membership as well and the company's business, operations and risks.

Audit Committee Charter

The Board has adopted a charter (the "**Audit Committee Charter**") for the Audit Committee, which sets out the Audit Committee's mandate, organization, powers and responsibilities. The complete Audit Committee Charter is attached as schedule D to this Listing Statement.

Composition of Audit Committee

The members of the Audit Committee are Tom Griffis (Chair), Sir Jonah and Bobby Banson. Mr. Tom Griffis, Executive Director is non-independent in accordance with NI 52-110 as he is an officer of the Company. Sir Jonah and Mr. Banson are each a director of the Company and financially literate and are "independent" in accordance with NI 52-110.

Relevant Education and Experience

The following is a description of the education and experience of each member of the Audit Committee that is relevant to the performance of his or her responsibilities as an Audit Committee member and, in particular, any education or experience that would provide the member with:

- 1. an understanding of the accounting principles used by the Company to prepare its financial statements;
- 2. the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and provisions;
- 3. experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company's financial statements, or experience actively supervising one or more persons engaged in such activities; and
- 4. an understanding of internal controls and procedures for financial reporting.

Tom Griffis, Executive Director and Director (Chair): Mr. Griffis is the founder of Griffis Capital Inc. ("GCI"), a private investment and corporate management firm established in 1986 and headquartered in Toronto, Ontario. GCI has historically focused on providing early to mid-stage financing and strategic guidance to emerging market companies, particularly in the natural resources sector. Under Mr. Griffis' leadership, GCI played a pivotal role in advancing resource-based projects across West Africa, Kazakhstan, South America, the United States, and Canada. Mr. Griffis founded several gold exploration and development companies and served on the boards of both private and publicly listed entities.

Sir Sam Jonah, Non-Executive Chairman of the Board: Sir Samuel E. Jonah is the Executive Chairman of Jonah Capital (Pty) Limited, an investment holding company in South Africa, since 2007 and is former President of AngloGold Ashanti Limited. Sir Jonah served on the boards of various public and private companies, including Vodafone Group Plc from July 2009 until July 2019 and the Global Advisory Council of the Bank of America from December 2012 until March 2020. Sir Jonah is currently the Chairman of Helios Towers PLC.

Bobby Banson, Director: Mr. Banson is qualified to practice law in Ghana and is a Fellow of the Chartered Institute of Arbitrators (FCIArb). Mr. Banson has an LL.M in International Business Law from the University of Brussels (ULB) and a Certificate of Advanced Studies in Arbitration from the Universities of Lucerne and Neuchâtel in Switzerland. Mr. Banson provided legal counsel for numerous companies with interest in real estate, extractive industries, hospitality, trading, gaming and the entertainment industry. Mr. Banson teaches Civil Procedure and Alternative Dispute Resolution at the Ghana School of Law. He is the author of the book "Civil Litigation in the High Court of Ghana" (2022) and Commercial Arbitration in Ghana-Practice and Procedure (2024) and has several peer reviewed legal articles on the subject of arbitration and litigation published in his name.

Audit Committee Oversight

Since the commencement of the Company's most recently completed financial year, there has not been a recommendation of the Audit Committee to nominate or compensate an external auditor which was not adopted by the Board.

Reliance on Certain Exemptions in NI 52-110

Since the commencement of the Company's most recently completed financial year, the Company has not relied on:

1. the exemption in section 2.4 (*De Minimis Non-audit Services*) of NI 52-110 (which exempts all non-audit services provided by the Company's auditor from the requirement to be pre-approved by the Audit Committee if such services are less than 5% of the auditor's annual fees charged to the Company, are not recognized as non-audit services at the time of the engagement of the auditor to perform them and are subsequently approved by the Audit Committee prior to the completion of that year's audit);
2. the exemption in subsection 6.1.1(4) (*Circumstance Affecting the Business or Operations of the Venture Issuer*) of NI 52-110 (an exemption from the requirement that a majority of the members of the Audit Committee must not be executive officers, employees or control persons of the Company or of an affiliate of the Company if a circumstance arises that affects the business or operations of the Company and a reasonable person would conclude that the circumstance can be best addressed by a member of the Audit Committee becoming an executive officer or employee of the Company);
3. the exemption in subsection 6.1.1(5) (*Events Outside Control of Member*) (an exemption from the requirement that a majority of the members of the Audit Committee must not be executive officers,

employees or control persons of the Company or of an affiliate of the Company if an Audit Committee member becomes a control person of the Company or of an affiliate of the Company for reasons outside the member's reasonable control);

4. the exemption in subsection 6.1.1(6) (*Death, Incapacity or Resignation*) (an exemption from the requirement that a majority of the members of the Audit Committee must not be executive officers, employees or control persons of the Company or of an affiliate of the Company if a vacancy on the Audit Committee arises as a result of the death, incapacity or resignation of an Audit Committee member and the Board was required to fill the vacancy); or
5. an exemption from the requirements of NI 52-110, in whole or in part, granted by a securities regulator under Part 8 (*Exemptions*) of NI 52-110.

The Company is a "venture issuer" for the purposes of this section of this Listing Statement. Accordingly, the Company is relying upon the exemption in section 6.1 of NI 52-110 providing that the Company is exempt from the application of Part 3 (*Composition of the Audit Committee*) and Part 5 (*Reporting Obligations*) of NI 52-110.

Pre-Approval Policies and Procedures

Formal policies and procedures for the engagement of non-audit services have yet to be formulated and adopted. Subject to the requirements of NI 52-110, the engagement of non-audit services is considered by the Board and where applicable by the Audit Committee, on a case-by-case basis.

External Auditor Service Fees

The following table sets out the audit fees incurred by the Company for the years ended March 31, 2026 and 2025:

Period	Audit Fees ⁽¹⁾	Audit Related Fees ⁽²⁾	Tax Fees ⁽³⁾	All Other Fees ⁽⁴⁾	Total
Year ended March 31, 2026	\$100,000	nil	nil	nil	\$100,000
Year ended March 31, 2025	\$90,000	nil	nil	nil	\$90,000

Notes:

- (1) "Audit fees" include aggregate fees billed by the Company's external auditor, for audit fees.
- (2) "Audited-related fees" include the aggregate fees billed for assurance and related services by the Company's external auditor that are reasonably related to the performance of the audit or review of the Company's financial statements and are not reported under "Audit fees" above. The services provided include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.
- (3) "Tax fees" include the aggregate fees billed for professional services rendered by the Company's external auditor for tax compliance, tax advice and tax planning. The services provided include tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.
- (4) "All other fees" include the aggregate fees billed for products and services provided by the Company's external auditor, other than "Audit fees", "Audit related fees" and "Tax fees" above.

The following table sets out the audit fees incurred by the Target for the period from March 7, 2025 (date of incorporation) to March 31, 2026:

Period	Audit Fees ⁽¹⁾	Audit Related Fees ⁽²⁾	Tax Fees ⁽³⁾	All Other Fees ⁽⁴⁾	Total
March 7, 2025 to March 31, 2026	50,000	6,000	Nil	Nil	56,000

Notes:

- (1) "Audit fees" include aggregate fees billed by the Target's external auditor, for audit fees.
- (2) "Audited-related fees" include the aggregate fees billed for assurance and related services by the Target's external auditor that are reasonably related to the performance of the audit or review of the Target's financial statements and are not reported under "Audit fees" above. The services provided include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.
- (3) "Tax fees" include the aggregate fees billed for professional services rendered by the Target's external auditor for tax compliance, tax advice and tax planning. The services provided include tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.
- (4) "All other fees" include the aggregate fees billed for products and services provided by the Target's external auditor, other than "Audit fees", "Audit related fees" and "Tax fees" above.

CORPORATE GOVERNANCE

The Company is a "venture issuer" for the purposes of this section of this Listing Statement. The following information is presented in accordance with Form 58-101F2 – *Corporate Governance Disclosure (Venture Issuers)*.

The Company maintains appropriate governance practices which are fundamental to a well-run company, to the execution of its chosen strategies and to its successful business and financial performance. National Instrument 58-101 – *Disclosure of Corporate Governance Practices* and National Policy 58-201 – *Corporate Governance Guidelines* (collectively the "**Governance Guidelines**") of the Canadian Securities Administrators set out a list of non-binding corporate governance guidelines that issuers are encouraged to follow in developing their own corporate governance guidelines. In certain cases, the Company's practices comply with the guidelines, however, some of the guidelines are not suitable for the Company at its stage of development and therefore certain of the Governance Guidelines have not been adopted. It is expected that the Company will review and implement corporate governance guidelines as the business of the Company progresses and becomes more active in operations.

The following disclosure describes the Company's approach to governance and outlines the various procedures, policies and practices that the Company and the Board have implemented.

Board of Directors

The Board consists of four (4) directors, Michael Nikiforuk, Sir Samuel E. Jonah, Tom Griffis and Bobby Banson.

Form 58-101F2 – *Corporate Governance Disclosure (Venture Issuers)* ("**Form 58-101F2**") requires disclosure regarding how the Board facilitates its exercise of independent supervision over management of the Company by providing the identity of directors who are independent and the identity of directors who are not independent and the basis for that determination. NI 52-110 provides that a director is independent if he or she has no direct or indirect "material relationship" with the issuer. "Material relationship" is defined as a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a director's independent judgment. In addition, under NI 52-110, an individual who is, or has been within the last three years, an employee or executive officer of an issuer, is deemed to have a "material relationship" with the issuer. Accordingly, all the directors except Michael Nikiforuk and Tom Griffis are "independent" based upon the tests for independence set forth in NI 52-110. Michael Nikiforuk is not independent because of his position as CEO and Tom Griffis is not independent because of his position as Executive Director.

There is no specific written mandate of the Board, other than the corporate standard of care set out in the governing corporate legislation of the Company. The Board has overall responsibility for the management or supervision of the management of business and affairs of the Company. The Board facilitates its exercise

of independent supervision over the Company's management through frequent meetings of the Board. The Board reviews its procedures on an ongoing basis to ensure it is functioning independently of management. As circumstances require, the Board meets without management present and convenes meetings, as deemed necessary, of the independent directors, at which meetings non-independent directors and members of management are not in attendance. When conflicts arise, interested parties are precluded from voting on matters in which they may have an interest.

Directorships

The directors of the Company do not serve as directors of other reporting issuers.

Orientation and Continuing Education

The Company has not formalized a formal orientation or education program for its Board members. The Board's continuing education is typically derived from correspondence with the Company's legal counsel to remain up to date with developments in relevant corporate and securities law matters. Additionally, it is expected that Board members who are familiar with the Company and the nature of its business will be nominated or appointed.

New directors will be provided, through discussions and meetings with other directors, officers and employees, with a thorough description of the Company's business, properties, assets, operations and strategic plans and objectives. Orientation activities are tailored to the particular needs and experience of each director and the overall needs of the Board and requests for education will be encouraged and dealt with on an *ad hoc* basis. The Board members are encouraged to communicate with management, auditors and technical consultants, to keep themselves current with industry trends and developments, as well as changes in legislation, with management's assistance, and to attend related industry seminars.

Ethical Business Conduct

The Company has not taken any formal steps to promote a culture of ethical business conduct, but the fiduciary duties placed on individual directors by the Company's governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual director's participation in decisions of the Board in which the director has an interest will be sufficient to ensure that the Board operates independently of management and in the best interests of the Company.

Under the applicable corporate legislation, a director is required to act honestly and in good faith with a view to the best interests of the Company and to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances and to disclose to the Board the nature and extent of any interest of the director in any material contract or material transaction, whether made or proposed, if the director is a party to the contract or transaction, is a director or officer (or an individual acting in a similar capacity) of a party to the contract or transaction or has a material interest in a party to the contract or transaction. The director must then abstain from voting on the contract or transaction unless the contract or transaction (i) relates primarily to their remuneration as a director, officer, employee or agent of the Company or an Affiliate of the Company, (ii) is for indemnity or insurance for the benefit of the director in connection with the Company, or (iii) is with an Affiliate of the Company. If the director abstains from voting after disclosure of their interest, the directors approve the contract or transaction and the contract or transaction was reasonable and fair to the Company at the time it was entered into, the contract or transaction is not invalid and the director is not accountable to the Company for any profit realized from the contract or transaction. Otherwise, the director must have acted honestly and in good faith, the contract or transaction must have been reasonable and fair to the Company and the contract or transaction be approved by the shareholders by a special resolution after receiving full disclosure of its terms in order for the director to avoid such liability or the contract or transaction being invalid.

Nomination of Directors

The Board as a whole is responsible for identifying and evaluating qualified candidates for nomination to the Board.

In identifying candidates, the Board will consider the competencies and skills that the Board considers to be necessary for the Board as a whole, as well as the competencies and skills that the Board will consider each existing director to possess, the competencies and skills each new nominee will bring to the Board and the ability of each new nominee to devote sufficient time and resources to his or her duties as a director.

Compensation

The Company does not have a compensation committee, rather the Board as a whole is responsible for reviewing the adequacy and form of compensation paid to the Company's executives and key employees. The Board is responsible for determining all forms of compensation, including long-term incentives in the form of Options to be granted to directors, officers and consultants of the Company. The Board is also responsible for reviewing recommendations for compensation of the CEO and other officers of the Company, to ensure such arrangements reflect the responsibilities and risks associated with each position.

When determining the compensation of its officers, the Board will consider: (i) recruiting and retaining officers critical to the success of the Company and the enhancement of shareholder value; (ii) providing fair and competitive compensation; (iii) balancing the interests of management and the Shareholders; and (iv) rewarding performance, both on an individual basis and with respect to operations in general. The Board will conduct reviews with regard to directors' compensation once a year.

Other Board Committees

In addition to the standing committees of the Board, independent committees will be appointed from time to time, when appropriate.

Assessments

The Board has not taken any formal steps to assess the performance of the Board or its committees. It is expected that the Board will conduct informal annual assessments of the Board's effectiveness, the individual directors and each of its committees. The Board will monitor the adequacy of information given to directors, communication between the Board and management and the strategic direction and processes of the Board and its committees. All directors and/or committee members are free to make suggestions for improvement of the practice of the Board and/or its committees at any time and are and will be encouraged to do so.

PLAN OF DISTRIBUTION

There are no securities being offered in connection with this Listing. Upon Listing, it is expected that the Common Shares will trade on the CSE under the trading symbol "GC". Prior to the completion of the Transaction, the Common Shares were listed and posted for trading on the CSE under the symbol "PSYG".

Other than on the CSE, as at the date of this Listing Statement, the Company does not have any of its securities listed or quoted, has not applied to list or quote any of its securities, and does not intend to apply to list or quote any of its securities, on the Toronto Stock Exchange, a U.S. marketplace, or a marketplace outside of Canada and the United States of America other than the Alternative Investment Market of the London Stock Exchange or the PLUS markets operated by PLUS Markets Group plc.

RISK FACTORS

The Company's business following completion of the Transaction is subject to a number of significant risk factors. The following are certain risk factors related to the Company, its business and ownership of the Common Shares. If any event arising from the risk factors set forth below occurs, the Company's business, prospects, financial conditions, results of operation or cash flows and in some cases, its reputation, could be materially adversely affected. Although the Company believes that the risk factors described below are the most material risks that the Company faces, they are not the only risks the Company faces. Additional risk factors not presently known to the Company or that the Company currently believes are immaterial could also materially and adversely affect the Company's investments, prospects, cash flows, results of operations or financial conditions and negatively affect the value of the Common Shares. An investment in the Company involves a high degree of risk and should be considered speculative. An investment in the Company should only be undertaken by those Persons who can afford the total loss of their investment. Before making an investment decision, prospective investors should carefully consider the risks and uncertainties associated with any such decision and should seek independent financial advice. Investors should carefully consider each of the risks and uncertainties described below, as well as all other information contained in this Listing Statement, including the financial statements and accompanying notes, before investing in the Company.

Inherent Risks of Mineral Exploration, Development, and Operation Activities

The business of exploration and extraction involves a high degree of risk. The great majority of exploration projects do not result in the discovery of commercially mineable deposits. The Company's future is dependent on its exploration, development and successful results from technical study programs. The exploration and development of mineral deposits involves significant financial risks over a prolonged period of time, which may not be eliminated even through a combination of careful evaluation, experience and knowledge. It is impossible to ensure that economic studies on the Company's projects will result in any profitable commercial mining operations. The Company cannot give any assurance that its current and future exploration activities will result in a discovery of mineral deposits containing mineral reserves. Estimates of mineral resources and any potential determination as to whether a mineral deposit will be commercially viable can also be affected by such factors as: the particular attributes of the deposit, such as its size and grade; unusual or unexpected geological formations and metallurgy; proximity to infrastructure; financing costs; gold and by-product metal prices, which are highly volatile; and governmental regulations, including those relating to prices, taxes, royalties, infrastructure, land use and acquisition, importing and exporting of metal, exchange controls and environmental protection. The effect of these factors cannot be accurately predicted, but the combination of any or all of these factors may result in the Company not receiving an adequate return on its invested capital or suffering material adverse effects to its business and financial condition. Exploration and development projects also face significant operational risks including but not limited to an inability to obtain access rights to properties, accidents, equipment breakdowns, labour disputes (including work stoppages and strikes), and other unanticipated interruptions.

Fluctuations in the Price of Gold

Gold prices can fluctuate widely over the course of a year and are affected by numerous factors beyond the Company's control including: central banks lending rates; sales and purchases of gold; producer hedging activities; expectations of inflation; the level of demand for gold as an investment; speculative trading; the relative exchange rate of the US dollar with other major currencies; interest rates and interest rate expectations; global and regional demand; political and economic conditions and uncertainties; industrial and jewelry demand; production costs in major gold producing regions; increased production due to new mine developments and improved mining and production methods; decreased production due to mine closures and worldwide production levels.

Cryptocurrencies and other block-chain-based technologies that perform the function of a "medium of exchange" (collectively "**Digital Currencies**") are becoming more integrated with the global economy and have the potential of becoming a means of storing wealth outside of conventional financial markets. These Digital Currencies may offer a compelling alternative to financial instruments exchangeable for government-issued currencies because they are held and traded on a decentralized network of computers, often beyond the control of individual governments or companies. Since gold serves a substantially similar wealth-storing function, the growing acceptance and popularity of cryptocurrencies and other block-chain-based mediums of exchanges may have an adverse effect on the market for gold and put significant downward pressure on gold prices.

The aggregate effect of these factors is impossible to predict with accuracy. There can be no assurance that gold prices will remain at current levels or that such prices will improve. Future decline in gold prices may materially and adversely affect the Company's financial performance, its ability to service or repay its debt, or results of operations. Insufficient preparedness for substantial gold price volatility may result in a significant impact on the production profile and adverse financial performance. Any of these factors could result in a material adverse effect on the Company's results of operations, cash flows and financial position.

Declining gold prices can impact operations by requiring a reassessment of the feasibility of a particular project. Even if a project is ultimately determined to be economically viable, the need to conduct such a reassessment may cause substantial delays and/or may interrupt operations until the reassessment can be completed, which may have a material adverse effect on the Company's results of operations, cash flows and financial position.

Access to Capital/Liquidity

The Company currently is not profitable and requires additional capital to fund its operations. There is no assurance that additional funding will be available to it to finance the Company's ongoing working capital requirements or for further exploration and development of its projects. There can be no assurance that the Company will be able to obtain adequate financing in the future, or that the terms of such financing will be favorable, to fund the Company's operations and satisfy its commitments. Failure to obtain such additional financing could result in delay or indefinite postponement of further exploration and development of its projects with the possible loss of such properties or have a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects.

Trading Market for Common Shares

While the Common Shares are listed on the CSE, there can be no assurance that an active trading market will develop for the Common Shares, or if developed, that such a market will be sustained. There can be no assurance that fluctuations in the trading price will not have a material adverse impact on the Company's ability to raise equity funding without significant dilution to Shareholders, or at all.

In addition, the disruptions recently experienced in the international and domestic markets have led to reduced liquidity and increased credit risk premiums for certain companies and have resulted in a reduction of available financing. Developing companies may be particularly susceptible to these disruptions and reductions in the availability of credit or increases in financing costs, which could result in them experiencing financial difficulty. The availability of credit is significantly influenced by levels of investor confidence in markets as a whole and as such any factors that impact market confidence (for example, a decrease in credit ratings, state or central bank intervention in one market, terrorist activity and conflict or the spread of other communicable diseases and viruses) could affect the price or availability of funding for entities within any of these markets.

Negative Cash Flow from Operations

The Company cannot guarantee that it will have positive or negative cash flow from operating activities in future periods. The Company cannot provide any assurances that it will achieve sufficient revenues (if at all) or maintain profitability or positive cash flow from operating activities. If the Company does not achieve or maintain profitability or positive cash flow from operating activities, then there could be a material adverse effect on the Company's business, financial condition and results of operation, and the Company may need to deploy a portion of its working capital to fund such negative operating cash flows or seek additional sources of funding.

Foreign Subsidiaries

The Company is conducting a portion of its operations through the GoldCoast Ghana, and certain assets are held through the GoldCoast Ghana, including the Project. Accordingly, any limitation on the transfer of cash or other assets between the Company and GoldCoast Ghana could restrict the Company's ability to fund its operations efficiently. Any such limitations, or the perception that such limitations may exist now or in the future, could have a material adverse effect on the Company.

Dependence on the Project

Until such time as the Company acquires an interest in another mineral property, the Project accounts for all of the Company's possible sources of future revenue. Any adverse development affecting the development of the Project on financing on commercially suitable terms, hiring suitable personnel and mining contractors, or securing supply agreements on commercially suitable terms, may have a material adverse effect on the Company.

No Operating History

The Company does not have a history of earnings or profitability. The likelihood of success of the Company must be considered in light of the problems, expenses, difficulties, complication and delays frequently encountered in connection with the establishment of any business, particularly those in the junior mineral exploration sector. The Company will have limited financial resources and there can be no assurance that additional funding will be available to fund further operations or to fulfill its obligations under applicable agreements. Further, there can be no assurance that the Company will be able to generate revenues, operate profitably, or provide a return on investment, or that it will successfully implement its plans.

Use of Available Funds

The Company currently intends to allocate its available funds as described under the heading "*Use of Proceeds – Use of Available Funds*" in this Listing Statement. However, these intended uses are estimates only and subject to change. While management does not contemplate any material variation, the Company will have broad discretion in the actual application of the available funds and may elect to allocate proceeds differently from that described herein if it believes it would be in its best interests to do so as circumstances change. Investors may not agree with how the Company allocates or spends its available funds. The failure by the Company to apply these funds effectively could have a material adverse effect on the Company's business, financial condition and results of operations and the Company's ability to achieve its stated business objectives.

Risks of Operating in Ghana

The Company's operations in Ghana are subject to the risks of operating in foreign countries, including political and economic considerations such as civil and tribal unrest, war (including in neighbouring

countries), terrorist actions, criminal activity, nationalization, invalidation of governmental orders, failure to enforce existing laws, labour disputes, corruption, sovereign risk, political instability, the failure of foreign parties, courts or governments to honour or enforce contractual relations or uphold property rights, changing government regulations with respect to mining (including royalties, environmental requirements, labour, taxation, land tenure, foreign investments, income repatriation and capital recovery), fluctuations in currency exchange and inflation rates, import and export restrictions, challenges to the title to properties or mineral rights in which the Company has interests, problems or delays renewing licences and permits, opposition to mining from local, environmental or other non-governmental organizations, increased financing costs, instability due to economic under-development, inadequate infrastructure, and the expropriation of property interests, as well as by laws and policies of Canada affecting foreign trade, investment and taxation. As African governments continue to struggle with deficits and depressed economies, the strength of commodity prices has resulted in the gold mining sector being targeted as a source of revenue. Governments are continually assessing the terms for a mining corporation to exploit resources in their country.

Furthermore, the Company requires consultants and employees to work in Ghana to carry out its planned exploration and development programs. It may be difficult from time to time to find or hire qualified people in the mineral exploration industry who are situated in Ghana, or to obtain all of the necessary services or expertise in Ghana, or to conduct operations on its projects at reasonable rates. If qualified people and services or expertise cannot be obtained in Ghana, the Company may need to seek and obtain those services from service providers located outside of Ghana which could result in delays and higher costs to the Company.

Mineral resource companies face increasing public scrutiny of their activities and are under pressure to demonstrate that their operations have potential to generate satisfactory returns not only to their shareholders, but also to benefit local governments and the communities surrounding its properties where it operates. The potential consequences of these pressures include reputational damage, lawsuits, increasing social investment obligations and pressure to increase taxes and future royalties payable to local governments and surrounding communities. As a result of these considerations, the Company may incur increased costs and delays in permitting and other operational matters with respect to its property interests in Ghana.

Any of the above events could delay or prevent the Company from exploring or developing its properties even if economic quantities of minerals are found and could have a material adverse impact upon the Company's foreign operations.

Government Policy Changes

The mineral exploration activities undertaken by the Company are subject to laws and regulations governing health and worker safety, employment standards, exports, taxation, waste disposal, management and use of toxic substances and explosives, protection of the environment, mine development and production, protection of endangered and protected species, reclamation, historic and cultural preservation and other matters. Exploration activities may also be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on future exploration and production, price controls, royalties, export controls, currency availability, foreign exchange controls, income taxes, delays in obtaining or the inability to obtain necessary permits, opposition to mining from environmental and other non-governmental organizations, limitations on foreign ownership, expropriation of property, ownership of assets, environmental legislation, labour relations, limitations on repatriation of income and return of capital, limitations on mineral exports, high rates of inflation, increased financing costs, and site safety.

The Company's exploration programs with respect to the Company's projects in Ghana will, in general, be subject to approval by the Minerals Commission of Ghana and other governmental agencies. Development

of any of the Company's properties will be dependent on the Project meeting environmental guidelines set by EPA and, where required, being approved by governmental authorities such as the Minerals Commission of Ghana.

Failure to comply with applicable laws, regulations and permits, even if inadvertent, may result in enforcement actions thereunder, including the forfeiture of claims, orders by regulatory or judicial authorities requiring operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment or costly remedial actions, which could have a material adverse impact upon the Company. The Company may be required to compensate those claiming to suffer loss or damage by reason of its activities and may have civil or criminal fines or penalties imposed for violations of such laws, regulations and permits, which could have a material adverse impact upon the Company.

In addition, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail development or future potential production. Adverse changes in government policies or legislation may affect ownership of mineral interests, taxation, royalties, land access, labour relations, and mining and exploration activities of the Company. It is possible that the current system of exploration and mine permitting in Ghana may change, resulting in impairment of rights and possibly expropriation of the Company's properties without adequate compensation.

Ownership Risks

The Constitution of Ghana vests title in every mineral in its natural state to the Government of Ghana. The exercise of any mineral right in the form of reconnaissance, exploration or exploitation of any mineral in Ghana requires an appropriate licence or mineral right to be issued by the Government of Ghana acting through the Minister. There is no assurance that title to the properties in which the Company has interests will not be challenged. The acquisition of title to mineral exploration properties is a very detailed and time-consuming process. Title to, and the area of, mineral properties may be disputed. While the Company has diligently investigated title to the properties in which it has an interest, it may be subject to prior unregistered agreements or transfers or indigenous land claims and title may be affected by undetected defects. Consequently, the boundaries may be disputed.

There can be no assurance that there are no prior unregistered agreements, claims or defects that may result in the title to the properties in which the Company has an interest being challenged. Further, the Company's interests in the properties are subject to the risks that counterparties will fail to honour their contractual commitments, that courts will not enforce such contractual obligations and that required governmental approvals will not be obtained. A successful challenge to the precise area and location of these claims, or the failure of counterparties to honour or of courts to enforce such contractual obligations could result in the Company being unable to operate on its properties as anticipated or being unable to enforce its rights with respect to its properties which could have a material adverse impact upon the Company.

Permitting and Licensing Risks

In addition to mineral rights, the Company will require some or all of the following permits, licences or other regulatory approvals to be able to carry out business operations in Ghana as it advances the Project or any of future projects it may acquire an interest in in Ghana: (i) environmental permits; (ii) approved environmental management plans and environmental certificates; (iii) reclamation bonds and approved reclamation plans; (iv) water usage permits; (v) business operating permits; (vi) licences to export, sell or dispose of minerals; (vii) permits/licences to retain a specified percentage of mineral export proceeds for purposes of debt servicing, dividend payment to foreign Shareholders and acquisition of plant and machinery for the mining project; (viii) permits to operate foreign exchange retention accounts with a

trustee bank; and (ix) immigration quotas to employ a specified number of non-Ghanaians to work on mining projects. The Company believes that it will be able to obtain and maintain in the future all such necessary licences and permits to carry on the activities which it intends to conduct and intends to comply in all material respects with the terms of such licences and permits.

There can be no guarantee, however, that the Company will be able to obtain and maintain, at all times, all the necessary licences and permits required to undertake the proposed exploration and development or to place its properties into commercial production and to operate mining facilities thereon. In the event of commercial production, the cost of compliance with changes in governmental regulations has the potential to reduce the profitability of operations or preclude the economic development of a particular property.

Artisanal Miners

The Company's property interests are held in areas of Ghana that have historically been mined by artisanal miners. As the Company further explores and advances the Project, it may be required to require the removal of any artisanal miners operating on its properties. There is a risk that such artisanal miners may oppose the Company's operations, which may result in a disruption to any planned development and/or mining and processing operations. In addition, artisanal miners have historically used chemicals that are harmful to the environment to separate the precious metals from the ore. There can be no assurance that the Company will not be subject to environmental liabilities resulting from such operations in the future, which could have a material adverse impact on the Company. In addition, artisanal work practices are often unsafe and accidents and/or incidents may occur on the Company's properties, and there is an added reputational risk that third parties may wish to link the activities of the artisanal miners to that of the Company in the event of accidents or incidents, which could have a material adverse impact on the Company.

Title to Mineral Properties

The acquisition of an interest in mineral properties is a very detailed and time-consuming process, and the Company's interest in its properties may be affected by prior unregistered encumbrances, agreements, transfers or undetected defects.

There is no guarantee that title to any of the Company's properties will not be challenged or impaired. Third parties may have valid claims on underlying portions of the Company's interests, including prior unregistered liens, agreements, transfers or claims. A successful challenge to the Company's interests in its properties could result in the Company being unable to operate on its properties as anticipated or being unable to enforce its rights with respect to its properties, which could have a material adverse effect on the Company's business, financial condition and results of operations.

Failure by the Company to meet its payment and other obligations pursuant to laws governing its mineral claims, mining claims, mining leases, tenements and other forms of land and mineral tenure could result in the loss of its material property interests which could have a material adverse effect on the Company's business, financial condition and results of operations, including a significant decline in the Company's share price.

Global Financial Conditions

Global financial conditions continue to be characterized as volatile. In recent years, global markets have been adversely impacted by, among other things, various credit crises and significant fluctuations in fuel and energy costs and prices of other input costs. Many industries, including the mining industry, have been impacted by these market conditions. Global financial conditions remain subject to sudden and rapid destabilizations in response to future events, as government authorities may have limited resources to

respond to future crises. A slowdown in the financial markets or other economic conditions, including but not limited to consumer spending, employment rates, business conditions, inflation, fuel and energy costs, consumer debt levels, lack of available credit, the state of the financial markets, interest rates, tax rates and foreign exchange rates, may adversely affect the Company's growth and profitability. Future crises may be precipitated by any number of causes, including natural disasters, geopolitical instability, changes to energy prices or sovereign defaults. If increased levels of volatility continue or in the event of a rapid destabilization of global economic conditions, it may result in a material adverse effect on commodity prices, demand for metals, including gold, availability of credit, investor confidence, and general financial market liquidity, all of which may adversely affect the Company's business, financial condition and results of operations, including a negative impact on the market price of the Company's securities.

Potential Impact of Tariffs

Potential significant changes to U.S. trade policies under the Trump administration have severely impacted many local economies around the globe. If high US tariffs are imposed and other countries retaliate with import tariffs on US products, the consequences on the capital markets and global supply chains could adversely impact the Company's ability to raise funds and source the supplies the Company relies on to perform its planned operations or, if available, the cost of such supplies could soar, impairing the Company's ability financial condition. The eventuality, timing and rates of potential US tariffs, and the countries on which they are levied are difficult to predict at this time. However, US tariffs are likely to be met with retaliatory tariffs and a multi-country trade war against the US could develop. The economic impact of tariffs or a broader trade war on the global economy could negatively impact capital markets and the Company's ability to raise funds to continue to operate its business. A broader global trade war has the potential to adversely impact global supply chains and make supplies required by the Company for exploration programs, construction work or operations harder to obtain or unavailable. The Company has some flexibility to adjust the timing, scale of, or even cancel, its work programs in response to increasing costs or unavailability of supplies. The indirect effects of tariffs imposed by the US or by other countries are difficult to assess, but the potential for tariffs represents a risk to the Company's ability to fulfill some of its key objectives.

Rising Inflation

Consumer price inflation has risen significantly in recent years and if it continues will mean much higher costs for the Company's expenditure programs. The Company's program cost estimates could rapidly become out-of-date. If this happens, the Company will need to either raise additional funds causing equity dilution or reduce its expenditures and reducing progress. Increases in inflation usually result in central bank interest rate hikes which can trigger negative capital market conditions making financing difficult. While inflation increases have often led to higher precious metals prices, there can be no assurance of that, and the Company's operations and its share price could be adversely affected by increased inflation.

International Conflict

International conflict and other geopolitical tensions and events, including war, military action, terrorism, trade disputes and international responses thereto have historically led to, and may in the future lead to, uncertainty or volatility in global commodity and financial markets and supply chains. Russia's recent invasion of Ukraine has led to sanctions being levied against Russia by the international community and may result in additional sanctions or other international action, any of which may have a destabilizing effect on commodity prices, supply chains and global economies more broadly. Volatility in commodity prices and supply chain disruptions may adversely affect Company's business, financial condition and results of operations. The extent and duration of the current Russia-Ukraine conflict and the military conflict in the Middle East and related international action cannot be accurately predicted at this time and the effects of such conflicts may magnify the impact of the other risks identified in this Listing Statement, including those relating to commodity price volatility and global financial conditions. The military conflicts are rapidly

changing and unforeseeable impacts, including on the Shareholders and counterparties on which the Company relies and transacts with, may materialize and may have an adverse effect on the Company's business, results of operation and financial condition.

Shareholder Activism

The Company's relationships with stakeholders are critical to ensure the future success of its existing operations and the construction and development of its projects. In recent years, publicly-traded companies in the mining industry have been increasingly subject to demands from NGOs and activist shareholders advocating for changes to corporate governance practices, such as executive compensation practices, social issues, or for certain corporate actions or reorganizations. There is an increasing level of public concern relating to the perceived effect of mining and processing activities on the environment and on communities impacted by such activities. Activist shareholder activity could cause a disruption to the Company's strategy, operations, and leadership, resulting in a material unfavourable impact on its operational and financial performance and longer-term value creation strategy.

Responding to challenges from activist shareholders, such as proxy contests, media campaigns or other activities, could be costly and time consuming and could have an adverse effect on the Company's reputation and divert the attention and resources of the management and the Board. Reputation loss may result in decreased investor confidence, increased challenges in developing and maintaining community relations and impede the Company's overall ability to advance its projects, obtain permits and licenses or continue its operations, which could have a material adverse impact on the Company's business, results of operations and financial condition.

No Guarantee of Positive Return on Investment

There is no guarantee that an investment in the securities of the Company will earn any positive return in the short term or long term. The mineral exploration and development business is subject to numerous inherent risks and uncertainties, and any investment in the securities of the Company should be considered a speculative investment. Past successful performance provides no assurance of any future success. The purchase of securities of the Company involves a high degree of risk and should be undertaken only by investors whose financial resources are sufficient to enable them to assume such risks. An investment in the securities of the Company is appropriate only for investors who have the capacity to absorb a loss of some or all of their investment.

Title to Mineral Properties

The acquisition of an interest in mineral properties is a very detailed and time-consuming process, and the Company's interest in its properties may be affected by prior unregistered encumbrances, agreements, transfers or undetected defects.

There is no guarantee that title to any of the Company's properties will not be challenged or impaired. Third parties may have valid claims on underlying portions of the Company's interests, including prior unregistered liens, agreements, transfers or claims. A successful challenge to the Company's interests in its properties could result in the Company being unable to operate on its properties as anticipated or being unable to enforce its rights with respect to its properties, which could have a material adverse effect on the Company's business, financial condition and results of operations.

Failure by the Company to meet its payment and other obligations pursuant to laws governing its mineral claims, mining claims, mining leases, tenements and other forms of land and mineral tenure could result in the loss of its material property interests which could have a material adverse effect on the Company's

business, financial condition and results of operations, including a significant decline in the price of the Common Shares.

Potential Conflicts of Interest

Certain of the Company's directors and officers may serve as directors and/or officers of other public and private companies and devote a portion of their time to manage other business interests. This may result in certain conflicts of interest, to the extent that such other companies may participate in ventures in which the Company is also participating. The laws of Ontario require the directors and officers to act honestly, in good faith, and in the best interests of the Company. In addition, each director must declare his or her interest and abstain from voting on any contract or transaction in which the director may have a conflict of interest.

Financial Risks

Financial risks refer to the potential negative impact on the Company's financial performance or position resulting from external factors such as market volatility, changes in interest rates, foreign currency fluctuations, credit risk, liquidity risk, and commodity price risk. The Company's exposure to financial risks and approach to manage such risks are discussed in the Annual Financial Statements and the Company's MD&A for the period ended March 31, 2026.

Permits and Licenses

There can be no assurance that delays will not occur in obtaining, renewing or amending permits required by the Company in order to conduct its operations and there is no assurance the Company will be able to obtain additional permits or amendments for permits for any possible future changes to operations, further development, or production, including, for example, additional permits or amendments associated with new legislation. There is also no assurance that the Company can obtain, or that there will not be delays in obtaining, the environmental approvals or permits necessary to develop any future projects. To the extent such approvals or consents are required and are delayed or not obtained, the Company may be curtailed or prohibited from continuing its operations or proceeding with any further development or production. Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in the exploration or development of mineral properties may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations. Amendments to current laws, regulations and permits governing operations and activities of mining and exploration companies, or more stringent implementation thereof, could have a material adverse effect on the Company and cause increases in exploration expenses, capital expenditures or require abandonment or delays in development and production at mining properties.

Intense Competition in Mining Industry

Significant and increasing competition exists for mineral acquisition opportunities throughout the world. This may increase the risk of higher costs when acquiring suitable claims, properties and assets or completing any such acquisitions on terms acceptable to the Company. Accordingly, there can be no assurance that the Company will be able to compete successfully with its competitors in acquiring such properties and assets. The Company's inability to acquire such interests could have an adverse impact on its future cash flows, earnings, results of operations and financial condition. In addition, even if the Company does acquire such interests, the resulting business arrangements may not ultimately prove beneficial to its business.

Dilution and Future Sales of Common Shares

The Company has limited financial resources and will have further capital requirements and exploration expenditures as it proceeds to expand exploration activities at its mineral projects, develop any such projects or take advantage of opportunities for acquisitions, joint ventures or other business opportunities that may be presented to it. The Company may sell additional Common Shares or other securities in the future to finance its operations or may issue additional Common Shares or other securities as consideration for future acquisitions. The Company cannot predict the size or nature of future sales or issuances of securities or the effect, if any, that such future sales and issuances will have on the market price of the Common Shares. Sales or issuances of substantial numbers of Common Shares, or the perception that such sales or issuances could occur, may adversely affect prevailing market prices of the Common Shares and will dilute each Shareholder's equity position in the Company. The Company's articles permit, among other things, the issuance of an unlimited number of Common Shares for such consideration and on such terms and conditions as are established by the directors of the Company, in many cases, without the approval of the Shareholders.

Infrastructure

Mining, processing, development and exploration activities depend on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important determinants, which affect capital and operating costs. Projects will need sufficient infrastructure to commence and continue mining operations, and will need access to start-up and ongoing capital to establish and maintain the infrastructure necessary to operate a mine. There is no assurance that such infrastructure can be put in place in order to build and maintain such infrastructure, which would have a material adverse effect on the Company's financial condition and results of operation. Unusual or infrequent weather phenomena, sabotage, government or other interference in the maintenance or provision of such infrastructure could also adversely affect the Company's operations, financial condition and results of operations.

Insurance Risks

The mining industry is subject to significant risks and hazards, including environmental hazards, industrial accidents, catastrophic equipment failures, unusual or unexpected geological conditions, labor force disruptions, civil strife, unavailability of materials and equipment, weather conditions, pit wall failures, tailings dam failures, rock bursts, cave-ins, floods, wildfires, seismic activity and water conditions, most of which are beyond the Company's control. The Company is also exposed to theft or loss of gold bullion or gold concentrate. Such risks and hazardous events could result in damage to, or destruction of, mineral properties or producing facilities; personal injury or death; environmental damage; delays in mining; and monetary losses and possible legal liability. Where economically feasible and coverage is available, selected operational, financial and political risks are insured on certain terms and conditions with insurance companies. The availability of such insurance is dependent on the Company's past insurance losses and records, and general market conditions.

Moreover, losses arising from events that are not fully insured, such as the validity and ownership of unpatented mining claims and mill sites and environmental pollution or other hazards as a result of exploration and production for which insurance are not generally available to the Company or to other companies in the mining industry on acceptable terms, may cause the Company to incur significant costs that could have a material adverse impact on its business, financial condition and results of operations.

Environmental Matters

Existing and possible future environmental legislation, regulations and actions could cause significant expense, capital expenditures, restrictions and delays in the activities of the Company, the extent of which

cannot be predicted, and which may well be beyond the capacity of the Company to fund. The Company's right to exploit any mining properties will be subject to various reporting requirements and to obtaining certain government approvals and there can be no assurance that such approvals, including environment approvals, will be obtained without inordinate delay or at all. Environmental legislation is evolving in a manner which is imposing stricter standards and enforcement, increased fines and penalties for non-compliance, in addition to more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. Compliance with environmental laws and regulations may require significant capital outlays on behalf of the Company and may cause material changes or delays in the Company's intended activities. Failure to comply with applicable environmental laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities, causing operations to cease or be curtailed. Such enforcement actions may include the imposition of corrective measures requiring capital expenditure, installation of new equipment, or remedial action. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations. The Company might find itself in situations where the state of compliance with regulation and permits can be subject to interpretation and challenge from authorities that could carry risk of fines or temporary stoppage.

No Assurance of Profitability

The Company has no history of profitable operations and, due to the nature of its business, there can be no assurance that the Company will be profitable. The Company has not paid dividends on the Common Shares and does not anticipate doing so in the foreseeable future. The only present source of funds available to the Company is from the sale of Common Shares, debt financings or, possibly, the sale or optioning of a portion of its interest in the Project. While the Company may generate additional working capital through further equity offerings or through the sale or possible syndication of its properties, there can be no assurance that any such funds will be available on favorable terms, or at all. At present, it is impossible to determine what amounts of additional funds, if any, may be required. Failure to raise such additional capital could put the continued viability of the Company at risk.

Dependence Upon Key Personnel and Other Parties

The success of the Company's operations will depend upon numerous factors, many of which are beyond the Company's control, including (i) the ability to design and carry out appropriate exploration programs on the Project or any future resource properties; (ii) the ability to produce minerals from any resource deposits that may be located; (iii) the ability to attract and retain additional key personnel in exploration, marketing, mine development and finance; and (iv) the ability and the operating resources to develop and maintain the properties held by the Company. These and other factors will require the use of outside suppliers as well as the talents and efforts of the directors and management of the Company as well as its consultants and employees. There can be no assurance of success with any or all of these factors on which the Company's operations will depend, or that the Company will be successful in finding and retaining the necessary employees, personnel and/or consultants in order to be able to successfully carry out such activities.

Changes to Laws and Regulations

The Company's business interests and operations are subject to the laws and regulations of the jurisdictions in which the Company operates. These laws and regulations are wide-ranging and oversee the license, exploration, development, taxes, employee labor standards, health and safety, environmental protection, human rights, anticorruption measures and matters related to later stage operating companies including but not limited to production, exports, waste disposal and tailings management, safe handling of toxic substances, water usage and greenhouse gases. Compliance with such laws and regulations increases the

costs of planning, designing, drilling, developing, constructing, operating, managing, closing, reclaiming and rehabilitating a mine or other facilities.

Any changes to existing laws and regulations or the manner in which they are enforced could have a material adverse impact on the Company's financial condition and results of operations. The Company participates in a number of industry associations to monitor changing legislation and quantify the impact of the changes in legislation and seeks to maintain a good dialogue with governmental authorities in that respect. However, the Company cannot predict what legislation or revisions may be proposed that might affect its business or when any such proposals, if enacted, might become effective. Such changes, however, could require increased capital and operating expenditures or result in reduced revenues and could prevent, delay or prohibit certain operations of the Company.

Changes to laws regarding mining royalties or taxes, or other elements of a country's fiscal regime, including the introduction of new taxes pertaining to water use and local community development, may have a material adverse effect on the Company's business, financial condition and results of operations.

Climate Change Risks

The Company acknowledges climate change as an international and community concern, and it supports and endorses various initiatives for voluntary actions consistent with international initiatives on climate change. However, in addition to voluntary actions, governments are moving to introduce climate change legislation and treaties at the international, national, state/provincial and local levels. Where legislation already exists, regulation relating to emission levels and energy efficiency is becoming more stringent. Some of the costs associated with reducing emissions can be offset by increased energy efficiency and technological innovation. However, if the current regulatory trend continues, the Company expects that this could result in increased costs for its operations in the future.

Rights or Claims of Indigenous Groups

The Company's properties may be located in areas presently or previously inhabited or used by indigenous peoples and may be affected by evolving regulations regarding the rights of indigenous peoples. The Company's operations are subject to national and international laws, codes, resolutions, conventions, guidelines, and other similar rules respecting the rights of indigenous peoples, including the provisions of ILO Convention 169. ILO Convention 169 mandates, among other things, that governments consult with indigenous peoples who may be impacted by mining projects prior to granting rights, permits or approvals in respect of such projects. The Company's future operations may be subject to a risk that one or more groups of indigenous people may oppose continued operation, further development, or new development on those projects or operations on which the Company holds an interest. Such opposition may be directed through legal or administrative proceedings or protests, roadblocks, or other forms of public expression against the Company or the owner/operators' activities and may require the modification of, or preclude operation or development of projects, or may require the entering into of agreements with indigenous people.

Surface Rights and Access

Although the Company acquires the rights to some or all of the minerals in the ground subject to the tenures that it acquires, or has a right to acquire, in most cases it does not thereby acquire any rights to, or ownership of, the surface to the areas covered by its mineral tenures. In such cases, applicable mining laws usually provide for rights of access to the surface for the purpose of carrying on mining activities, however, the enforcement of such rights can be costly and time consuming. In areas where there are no existing surface rights holders, this does not usually cause a problem, as there are no impediments to surface access. However, in areas where there are local populations or landowners, it is necessary, as a practical matter, to

negotiate surface access. There can be no guarantee that, despite having the right at law to access the surface and carry on mining activities, the Company will be able to negotiate a satisfactory agreement with any such existing landowners/occupiers for such access, and therefore it may be unable to carry out mining activities. In addition, in circumstances where such access is denied, or no agreement can be reached, the Company may need to rely on the assistance of local officials or the courts in such jurisdictions.

If any of the Company's properties move to a development or production stage, the Company would be subject to additional risks respecting any such development and production activities.

Litigation Risks

In the ordinary course of the Company's business, it may become party to new litigation or other proceedings in local or international jurisdictions in respect of any aspect of its business, whether under criminal law, contract or otherwise. The causes of potential litigation cannot be known and may arise from, among other things, business activities, employment matters, including compensation issues, environmental, health and safety laws and regulations, tax matters, volatility in the Company's stock price, failure to comply with disclosure obligations or labour disruptions at its project sites. Regulatory and government agencies may initiate investigations relating to the enforcement of applicable laws or regulations and the Company may incur expenses in defending them and be subject to fines or penalties in case of any violation and could face damage to its reputation. The Company may attempt to resolve disputes involving foreign contractors/suppliers through arbitration in another country and such arbitration proceedings may be costly and protracted, which may have an adverse effect on the Company's financial condition. Litigation may be costly and time-consuming and can divert the attention of management and key personnel from the Company's operations and, if adjudged adversely to the Company, may have a material and adverse effect on the Company's cash flows, results of operations and financial condition.

Acquisitions and Integration

From time to time, it can be expected that the Company will examine opportunities to acquire additional exploration and/or mining assets and businesses. Any acquisition that the Company may choose to complete may be of a significant size, may change the scale of the Company's business and operations, and may expose the Company to new geographic, political, operating, financial and geological risks. The Company's success in its acquisition activities depends upon its ability to identify suitable acquisition candidates, negotiate acceptable terms for any such acquisition, and integrate the acquired operations successfully with those of the Company. Any acquisitions would be accompanied by risks. In the event that the Company chooses to raise debt capital to finance any such acquisitions, the Company's leverage will be increased. If the Company chooses to use equity as consideration for such acquisitions, existing Shareholders may suffer dilution. Alternatively, the Company may choose to finance any such acquisitions with its existing resources. Ultimately, any acquisitions would be accompanied by risks, which could include changes in commodity prices, difficulty with integration, failure to realize anticipated synergies, significant unknown liabilities, delays in regulating approvals and exposure to litigation. Any material issues that the Company encounters in connection with an acquisition could have a material adverse effect on its business, results or operations and financial position.

Corruption and Bribery Laws

The Company's operations are governed by, and involve interactions with, many levels of government in other countries. The Company is required to comply with anti-corruption and anti-bribery laws, including the *Criminal Code* (Canada), and the *Corruption of Foreign Public Officials Act* (Canada), as well as similar laws in the countries in which the Company conducts its business. In recent years, there has been a general increase in both the frequency of enforcement and the severity of penalties under such laws, resulting in greater scrutiny and punishment to companies convicted of violating anti-corruption and anti-bribery laws.

Measures that the Company has adopted to mitigate these risks are not always effective in ensuring that the Company, its employees or third-party agents will comply strictly with such laws. Furthermore, the Company may be found liable for violations by not only its employees, but also by its contractors and third-party agents. If the Company finds itself subject to an enforcement action or is found to be in violation of such laws, this may result in significant penalties, fines and/or sanctions imposed on the Company resulting in a material adverse effect on the Company's reputation and results of its operations.

In addition, the Company is subject to the ESTMA (as defined below), and any non-compliance thereof could lead to significant fines and sanctions. The *Canadian Extractive Sector Transparency Measures Act* ("ESTMA"), which became effective June 1, 2015, requires public disclosure of payments to governments by mining and oil and gas companies engaged in the commercial development of oil, gas and minerals who are either publicly listed in Canada or with business or assets in Canada. Mandatory annual reporting is required for extractive companies with respect to payments made to foreign and domestic governments at all levels, including entities established by two or more governments. ESTMA requires reporting on the payment of any taxes, royalties, fees, production entitlements, bonuses, dividends, infrastructure improvement payments and any other prescribed payment over \$100,000. Failure to report, false reporting or structuring payments to avoid reporting may result in fines of up to \$250,000 (which may be concurrent). If the Company becomes subject to an enforcement action or is in violation of ESTMA, this may result in significant penalties, fines and/or sanctions, which may have a material adverse effect on the Company's reputation.

Network Systems and Cyber Security

Equipment failures, natural disasters including severe weather, terrorist acts, acts of war, cyber-attacks or other breaches of network systems or security that affect computer systems within the Company's network could disrupt the Company's business functions, including the Company's exploration and any future production activities. The mining industry has become increasingly dependent on digital technologies. The Company relies on digital technologies to conduct certain exploration and other activities. The mining industry faces various security threats, including cyber-security threats. Such attacks are increasing and include malicious software, attempts to gain unauthorized access to data and other electronic security breaches that could lead to disruptions to critical systems, unauthorized release of confidential information and corruption of data. A cyber-attack could negatively impact the Company's operations. A corruption of the Company's financial or operational data or an operational disruption could, among other potential impacts, result in: (i) distraction of management; (ii) damage to the Company's reputation or its relationship with customers, vendors, employees and joint venture partners; or (iii) events of noncompliance, which events could lead to regulatory fines or penalties. Any of the foregoing could have a material adverse impact on the Company's reputation, results of operations and financial condition.

Although to date the Company has not experienced any losses relating to cyber-attacks or other information security breaches, there can be no assurance that the Company will not incur such losses in the future. The Company's risk and exposure to these matters cannot be fully mitigated because of, among other things, the evolving nature of these threats. As a result, cyber security and the continued development and enhancement of controls, processes and practices designed to protect systems, computers, software, data and networks from attack, damage or unauthorized access remain a priority. As cyber threats continue to evolve, the Company may be required to expend additional resources to continue to modify or enhance protective measures or to investigate and remediate any security vulnerabilities.

Audit of Tax Filings

The Company's taxes may be affected by a number of factors, some of which are outside of its control, including the application and interpretation of the relevant tax laws and treaties. If the Company's filing position, application of tax incentives or similar 'holidays' or benefits were to be challenged for whatever

reason, this could have a material adverse effect on the Company's business, results of operations and financial condition. The Company may be subject to routine tax audits by various tax authorities. Tax audits may result in additional tax, interest payments and penalties which would negatively affect the Company's financial condition and operating results. New laws and regulations or changes in tax rules and regulations or the interpretation of tax laws by the courts or the tax authorities may also have a substantial negative impact on the Company's business. There is no assurance that the Company's current financial condition will not be materially adversely affected in the future due to such changes.

Changes to Strategic Plans

The Company conducts a strategic planning process that is intended to define long term objectives and execution strategies designed to achieve those objectives. These plans are regularly reviewed and updated as current or prospective external and internal conditions change. The strategic plans are based upon certain assumptions around key variables that can directly impact the validity of the strategy and the achievement of anticipated results.

As unforeseen changes in business, operating and market conditions can occur at any time, resulting in the assumptions underlying the Company's decision-making process becoming invalid, there can be no assurance that the Company's strategic planning process will be completely effective in developing a strategic plan that addresses changing conditions and could result in a material adverse effect on the Company's business, financial condition and results of operations. Additionally, due to internal and external factors, the Company may not have sufficient capital resources, organizational skills and knowledge, or systems and processes in place to be able to execute its strategic plans in a timely or efficient manner.

Damage to the Company's Image and Reputation

Damage to the Company's reputation can be the result of the actual or perceived occurrence of any number of events and could include any negative publicity, whether true or not. Although the Company places a great emphasis on protecting its image and reputation, it does not ultimately have direct control over how it is perceived by others. Reputation loss may lead to increased challenges in developing and maintaining community relations and decreased investor confidence and may act as an impediment to the Company's overall ability to advance its projects, thereby having a material adverse impact on financial performance, cash flows and growth prospects.

Difficulty in Enforcement of Judgements

GoldCoast Ghana and the majority of its assets are located outside of Canada. Accordingly, it may be difficult for investors to enforce within Canada any judgments obtained against the Company, including judgments predicated upon the civil liability provisions of applicable Canadian securities laws. Consequently, investors may be effectively prevented from pursuing remedies against the Company under Canadian securities laws or otherwise.

GoldCoast Ghana is incorporated in Ghana. Some of the directors and officers of the Company reside outside of Canada, and substantially all of the assets of these persons are located outside of Canada. It may not be possible for Shareholders to effect service of process against the Company's directors and officers who are not resident in Canada. In the event a judgment is obtained in a Canadian court against one or more of the Company's directors or officers who are not resident in Canada for violations of Canadian securities laws, it may not be possible to enforce such judgment against those directors and officers. Additionally, it may be difficult for an investor, or any other person or entity, to assert Canadian securities law claims in original actions instituted in Ghana. Courts in these jurisdictions may refuse to hear a claim based on a violation of Canadian securities laws on the grounds that such jurisdiction is not the most appropriate forum to bring such a claim. Even if a foreign court agrees to hear a claim, it may determine

that the local law, and not Canadian law, is applicable to the claim. If Canadian law is found to be applicable, the content of applicable Canadian law must be proven as a fact, which can be a time-consuming and costly process. Certain matters of procedure will also be governed by foreign law.

Transactions Engaged in by the Company's Largest Shareholders, Directors or Officers

As of the date of this Listing Statement, the Company's directors, officers and principal Shareholders (greater than 10% Shareholders) collectively control approximately 51.6% of the Common Shares. Subsequent sales of Common Shares by these Shareholders could have the effect of lowering the market price of the Common Shares. The perceived risk associated with the possible sale of a large number of Common Shares by these Shareholders, or the adoption of significant short positions by hedge funds or other significant investors, could cause some of the Shareholders to sell their Common Shares, thus causing the market price of the Common Shares to decline. In addition, actual or anticipated downward pressure on the price of the Common Shares, due to actual or anticipated sales of Common Shares by directors or officers, could cause other institutions or individuals to engage in short sales of the Common Shares, which may further cause the market price of the Common Shares to decline.

From time to time, directors and executive officers may sell Common Shares on the open market. These sales will be publicly disclosed in filings made with securities regulators. In the future, directors and executive officers may sell a significant number of Common Shares for a variety of reasons unrelated to the performance of the Company's business. The Shareholders may perceive these sales as a reflection of management's view of the Company's business and result in some Shareholders selling their Common Shares. These sales could cause the market price of the Common Shares to drop.

Trading Market for Common Shares

While the Common Shares are listed on the CSE, there can be no assurance that an active trading market will develop for the Common Shares, or if developed, that such a market will be sustained. There can be no assurance that fluctuations in the trading price will not have a material adverse impact on the Company's ability to raise equity funding without significant dilution to Shareholders, or at all.

In addition, the disruptions recently experienced in the international and domestic markets have led to reduced liquidity and increased credit risk premiums for certain companies and have resulted in a reduction of available financing. Developing companies may be particularly susceptible to these disruptions and reductions in the availability of credit or increases in financing costs, which could result in them experiencing financial difficulty. The availability of credit is significantly influenced by levels of investor confidence in markets as a whole and as such any factors that impact market confidence (for example, a decrease in credit ratings, state or central bank intervention in one market, terrorist activity and conflict or the spread of other communicable diseases and viruses) could affect the price or availability of funding for entities within any of these markets.

PROMOTERS

Messrs. Tom Griffis and Michael Nikiforuk can be characterized as promoters of the Company in that they each took the initiative in substantially reorganizing the business of the Company. Mr. Griffis holds 6,184,053 Common Shares and Mr. Nikiforuk holds 8,950,569 Common Shares. For additional information about Messrs. Griffis and Nikiforuk, please see section "*Directors and Executive Officers*".

LEGAL PROCEEDINGS AND REGULATORY MATTERS

Neither the Company nor the Target is or has been a party to any legal proceedings or regulatory actions and the Company is not aware of any such proceedings known to be contemplated.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than as described herein, no Person who is: (a) a director or executive officer of the Company; (b) a Person or company that beneficially owns, or controls or directs, directly or indirectly, more than 10% of any class or series of the Company's outstanding voting securities; (c) an Associate or Affiliate of any of the Persons or companies referred to in paragraphs (a) or (b), has any material interest, direct or indirect, in any material transaction since incorporation or in any proposed transaction that has materially affected or will materially affect the Company.

AUDITORS, TRANSFER AGENT AND REGISTRAR

The auditors of the Company are Jones & O'Connell LLP, Chartered Professional Accountants, located at 43 Church Street, Suite 500, St. Catharines, Ontario L2R 7A7.

The Company has appointed Odyssey Trust Company, located at United Kingdom Building, Suite 350, 409 Granville Street, Vancouver, British Columbia, V6C 1T2 as the registrar and transfer agent of the Common Shares.

MATERIAL CONTRACTS

During the course of the two years prior to the date of this Listing Statement, the Company entered into the following material contracts, other than contracts entered into in the ordinary course of business:

- the Amalgamation Agreement; and
- the Escrow Agreement.

Copies of the above agreements or redacted versions thereof are available electronically on the Company's SEDAR+ profile at www.sedarplus.ca.

OTHER MATERIAL FACTS

There are no material facts about the Company, the Target and its securities that are not disclosed in this Listing Statement that are necessary in order for this Listing Statement to contain full, true and plain disclosure of all material facts relating to the Company and its business following the completion of the Transaction.

INTERESTS OF EXPERTS

MNP LLP, Chartered Professional Accountants, have audited the Annual Financial Statements, and their audit reports are included herein. MNP LLP, Chartered Professional Accountants, have advised the Company that they are independent of the Company within the meaning of the Chartered Professional Accountants of Ontario CPA Code of Professional Conduct.

Jones & O'Connell LLP, Chartered Professional Accountants, have audited the Target's annual financial statements for the year ended March 31, 2026 and period ended March 31, 2025, and their audit report is included herein. Jones & O'Connell LLP, Chartered Professional Accountants, have advised the Target that they are independent of the Target within the meaning of the Chartered Professional Accountants of Ontario CPA Code of Professional Conduct.

Samuel Torkornoo, P. Geo, of Torkornoo and Associates Limited (TAL), the Technical Report Author, is responsible for, and has authored, the scientific and technical disclosure in respect of the Project, including the Technical Report. The Technical Report Author and Torkornoo and Associates Limited (TAL) have

advised the Target that they are independent of the Target within the meaning of NI 43-101. To the knowledge of the Company, neither the Technical Report Author, nor Torkornoo and Associates Limited (TAL) or any partner, director, officer or employee thereof, beneficially owns, directly or indirectly, or exercises control or direction over, any securities of the Company.

SCHEDULE A
THE COMPANY'S FINANCIAL STATEMENTS AND MD&A

(see attached)



Psyence Group Inc.

Consolidated Financial Statements

Years ended March 31, 2026 and March 31, 2025

Expressed in Canadian Dollars

(CAD \$)

To the Shareholders of Psyence Group Inc.:

Opinion

We have audited the consolidated financial statements of Psyence Group Inc. and its subsidiaries (the "Company"), which comprise the consolidated statements of financial position as at March 31, 2026, and 2025, and the consolidated statements of net loss and comprehensive income (loss), changes in shareholders' equity and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at March 31, 2026 and 2025, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audits of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the consolidated financial statements, which indicates that the Company incurred accumulated loss and generated negative cash flows from operating activities during the year ended March 31, 2026. As stated in Note 1, these events and conditions, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern or have a material adverse effect on the Company's business. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Except for the matter described in Material uncertainty related to going concern section, we have determined that there were no key audit matters to communicate in our report.

Other Information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audits of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements, or our knowledge obtained in the audits or otherwise appears to be materially misstated. We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Company as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Eduard Shvekher.

Toronto, Ontario
July 24, 2026

MNP LLP

Chartered Professional Accountants
Licensed Public Accountants

PSYENCE GROUP INC.
Consolidated Financial Statements
(Expressed in Canadian Dollars)

Consolidated Statements of Financial Position

CAD \$	Note	As at March 31, 2026	As at March 31, 2025
ASSETS			
Current assets			
Cash and cash equivalents	5	439,941	8,888,570
Restricted cash	5	-	51,702
Other receivables	6	6,872	200,733
Prepays		5,739	361,982
Loan receivable from GoldCoast Resources Corp.	7	364,238	-
Total current assets		816,790	9,502,987
Non-current assets			
Investment in Psyence Labs Ltd	10	-	1,071,012
Property and equipment	8	-	15,951
Intangible assets	9	-	14,901
Total non-current assets		-	1,101,864
TOTAL ASSETS		816,790	10,604,851
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	11	137,237	776,075
Derivative warrant liabilities	15	-	287,658
Total current liabilities		137,237	1,063,733
TOTAL LIABILITIES		137,237	1,063,733
SHAREHOLDERS' EQUITY			
Share capital	12	22,537,858	21,826,722
Options reserve	12	1,954,090	1,949,797
Foreign currency translation reserve		-	737,522
Accumulated Deficit		(23,812,395)	(23,226,817)
TOTAL SHAREHOLDERS' EQUITY		679,553	1,287,224
Non-controlling interest	13	-	8,253,894
TOTAL EQUITY		679,553	9,541,118
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		816,790	10,604,851

Nature of operations and going concern (note 1)

Subsequent events (note 26)

Approved on behalf of the Board of Directors.

"Jody Aufrichtig"

Executive Chairman and Director

"Warwick Corden-Lloyd"

Director

The accompanying notes are an integral part of the Consolidated Financial Statements

PSYENCE GROUP INC.
Consolidated Financial Statements
(Expressed in Canadian Dollars)

Consolidated Statements of Net Loss and Comprehensive Income (Loss)

For the years ended CAD \$	Note	March 31, 2026	March 31, 2025
Expenses			
Sales and marketing		119,867	676,310
Research and development		89,990	475,755
General and administrative		204,284	1,741,923
Professional fees and consulting fees		440,761	2,613,286
Depreciation and amortization	8,9	3,118	8,460
Loss before other items		(858,020)	(5,515,734)
Other items			
Interest income		24,211	133,399
Interest expense		(18,657)	(12,828)
Foreign exchange gain		707	1,471
Loss on impairment of intangible asset	9	(12,381)	-
Loss on disposal of PBM	14	(287,042)	(540,970)
Loss on settlement of debt		-	(6,000)
Fair value loss on investment of Psyence Labs Ltd.	10	(219,441)	-
Fair value gain on NCAC promissory note		-	530,261
Fair value gain on convertible note		-	4,671,367
Fair value (loss)/gain on warrant liability	15	(22,911)	966,259
Fair value loss on warrant exchange		-	(257,474)
NET LOSS		(1,393,534)	(30,249)
Other comprehensive income/(loss)			
Foreign exchange (loss)/gain on translation		(175,151)	613,157
TOTAL COMPREHENSIVE INCOME/(LOSS)		(1,568,685)	582,908
Net loss is attributable to:			
Non-controlling interest share of net (loss)/gain	13	(807,956)	369,981
Parent share of net loss		(585,578)	(400,230)
		(1,393,534)	(30,249)
Total comprehensive (loss)/gain for the year is attributable:			
Non-controlling interest share of net (loss)/gain	13	(909,505)	1,079,939
Parent share of net loss		(659,180)	(497,031)
		(1,568,685)	582,908
Loss per share - basic and diluted	20	(0.09)	(0.00)
Weighted average number of outstanding shares - basic and diluted		14,895,225	9,337,003

The accompanying notes are an integral part of the Consolidated Financial Statements.

PSYENCE GROUP INC.
Consolidated Annual Financial Statements
(Expressed in Canadian Dollars)

Consolidated Statements of Changes in Shareholders' Equity

For years ended March 31, 2026 and March 31, 2025

	Note	Number of shares	Share capital	Warrants reserve	Options reserve	Foreign currency translation reserve	Accumulated Deficit	Non-controlling interest	Total shareholders' equity
Opening balance as at April 1, 2024		9,273,748	21,662,052	1,574,721	2,013,786	124,365	(49,256,893)	12,048,384	(11,833,585)
Share based compensation	12	-	-	-	94,681	-	-	-	94,681
Exercise of RSU's	12	87,280	158,670	-	(158,670)	-	-	-	-
Expired warrants	12	-	-	(1,574,721)	-	-	1,574,721	-	-
Shares issued on settlement of debt	12	26,667	6,000	-	-	-	-	-	6,000
Noncontrolling interests adjustment for change in ownership	13	-	-	-	-	-	24,855,585	(2,632,413)	22,223,172
Warrants Reserve to PBM		-	-	-	-	-	-	(1,532,058)	(1,532,058)
Other comprehensive loss		-	-	-	-	613,157	-	-	613,157
Net (loss)/profit		-	-	-	-	-	(400,230)	369,981	(30,249)
Balance, March 31, 2025		9,387,695	21,826,722	-	1,949,797	737,522	(23,226,817)	8,253,894	9,541,118
Opening balance as at April 1, 2025		9,387,695	21,826,722	-	1,949,797	737,522	(23,226,817)	8,253,894	9,541,118
Share based compensation	12	-	-	-	115,429	-	-	-	115,429
Exercise of RSU's	12	250,572	111,136	-	(111,136)	-	-	-	-
Shares issued for cash	12	6,000,000	600,000	-	-	-	-	-	600,000
Disposal of Subsidiaries	14	-	-	-	-	(562,371)	-	(7,445,938)	(8,008,309)
Other comprehensive loss		-	-	-	-	(175,151)	-	-	(175,151)
Net loss		-	-	-	-	-	(585,578)	(807,956)	(1,393,534)
Balance, March 31, 2026		15,638,267	22,537,858	-	1,954,090	-	(23,812,395)	-	679,553

The accompanying notes are an integral part of the Consolidated Financial Statements.

PSYENCE GROUP INC.
Consolidated Financial Statements
(Expressed in Canadian Dollars)

Consolidated Statements of Cash Flows

For the years ended CAD\$	Note	March 31, 2026	March 31, 2025
Net loss		(1,393,534)	(30,249)
Non-cash adjustments:			
Depreciation and amortization	8,9	3,118	8,460
Interest Income	7	(20,731)	-
Foreign exchange loss		(94,503)	(24,241)
Loss on impairment of intangible asset	9	12,381	-
Share based compensation	12	115,429	94,681
Loss on settlement of debt	12	-	6,000
Loss on disposal of PBM	14	287,042	540,970
Third party advisors share issuance in PBM		-	349,881
Fair value gain on NCAC promissory note		-	(530,261)
Fair value gain on convertible note liability		-	(4,671,367)
Fair value loss/(gain) on derivative warrant liabilities	15	22,911	(966,259)
Fair value loss on warrant exchange		-	257,474
Fair value loss on investment of Psyence Labs Ltd.	10	219,441	-
Changes in working capital:			
Other receivables		37,424	36,491
Prepays		42,442	80,287
Accounts payable and accrued liabilities		(203,850)	(701,064)
Cash used in operating activities		(972,430)	(5,549,197)
Investment in Psyence Labs Ltd	10	(345,300)	-
Additions to property and equipment	8	-	(13,742)
Decrease in restricted cash	5	-	(1,579)
Proceeds from disposal of Investment in Psyence Biomedical Ltd.	14	426,170	-
Cash disposed off with investment in Psyence Biomedical Ltd.	14	(7,813,202)	-
Advances to Gold Coast Resources Corp.	7	(343,867)	-
Cash used in investing activities		(8,076,199)	(15,321)
Proceeds from share issuance	12	600,000	-
Proceeds from PBM's shares issuance, net of issuance costs	16	-	9,215,584
Proceeds from convertible note liability		-	1,437,600
Proceeds from PBM's PIPE financing	17	-	2,504,371
Sale of PBM shares		-	236,781
Cash provided from financing activities		600,000	13,394,336
Change in cash and cash equivalents		(8,448,629)	7,829,818
Cash and cash equivalents, beginning of year		8,888,570	1,058,752
Cash and cash equivalents, end of year		439,941	8,888,570

The accompanying notes are an integral part of the Consolidated Financial Statements.

Notes to the Consolidated Financial Statements

1. Nature of operations and going concern

Psyence Group Inc. (the “**Company**” or “**PGI**”) is a life science biotechnology company focused on the research, cultivation and production of psychedelics and nature-based compounds to treat psychological trauma in the context of palliative care and in support of mental wellness. The safety and efficacy of psychedelics will be evaluated through rigorous clinical trials.

The Company's registered office is at 121 Richmond Street West, Penthouse Suite, 1300, Toronto, Ontario M5H 2K1. The Company commenced trading on the Canadian Securities Exchange (“**CSE**”) on January 27, 2021 under the symbol “**PSYG**”.

On August 20, 2025, the Company entered into the letter of intent (the “**LOI**”) with GoldCoast Resource Corp. (“**GoldCoast**”) to acquire all of the issued and outstanding securities and securities convertible into securities of GoldCoast, a corporation existing under the laws of Ontario.

On November 21, 2025, the Company, GoldCoast and Psyence Therapeutics Corp., a wholly owned subsidiary of the Company, entered into a definitive amalgamation agreement (the “**Agreement**”) which superseded the LOI.

Under the terms of the Agreement, the Company, GoldCoast and Psyence Therapeutics Corp. agreed to structure the business combination by way of an amalgamation of GoldCoast and Psyence Therapeutics Corp. (the “**Amalgamation**”) in accordance with the Business Corporation Act (Ontario) (the “**OBCA**”).

Under the terms of the Agreement, the Company will complete a name change to GoldCoast Resource Corp. (or such other name as may be approved by GoldCoast and applicable regulatory authorities) and a share consolidation prior to closing of the business combination.

At the effective time of the Amalgamation between GoldCoast and Psyence Therapeutics Corp., the following shall occur in the following order:

Psyence Therapeutics Corp. and GoldCoast shall amalgamate to form Amalco and shall continue as one company under the OBCA and with the effect set out in Section 179 of the OBCA. Amalco will become a wholly owned subsidiary of the Resulting Issuer (the Company after giving effect to the Amalgamation).

Immediately upon the Amalgamation:

- Each one GoldCoast share shall be exchanged for one fully paid and non-assessable Resulting Issuer shares;
- Each Psyence Therapeutics Corp. share shall be exchanged for one fully paid and non-assessable Amalco share;
- Each holder of one option granted pursuant to the GoldCoast Option Plan outstanding immediately before the Amalgamation shall be exchanged for one Resulting Issuer Option having the same economic terms as the option for which it is being exchanged.

With respect to each GoldCoast share, exchanged in accordance with provisions detailed above:

- The holders thereof shall cease to be the holders of such GoldCoast shares, as the case may be, and the name of each such holder shall be removed from the applicable register of holders of such GoldCoast securities;
- The GoldCoast securities as noted above shall be deemed to have been cancelled as of the effective date of the Amalgamation.

On the effective date of the Amalgamation:

- GoldCoast and Psyence Therapeutics Corp. shall amalgamate and continue as Amalco under the terms and conditions prescribed in the Agreement;
- GoldCoast and Psyence Therapeutics Corp. shall cease to exist as entities separate from Amalco;

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- Amalco shall possess all the property, rights, privileges and franchises and is subject to all liabilities, including civil, criminal and quasi-criminal, and all contracts, disabilities and debts of each of GoldCoast and Psyence Therapeutics Corp.;
- A conviction against, or ruling, order or judgment in favour or against either GoldCoast and Psyence Therapeutics Corp. may be enforced by or against Amalco;
- The Articles of Amalgamation are deemed to be the articles of incorporation of Amalco;
- Amalco shall be deemed to be the party plaintiff or the party defendant, as the case may be, in any civil action commenced by or against an amalgamating corporation before the Amalgamation has become effective;
- The initial directors of Amalco shall be the same directors as the Resulting Issuer; and
- The initial management of Amalco shall be the same management as the Resulting Issuer.

The closing of the business combination is subject to customary conditions in accordance with the Agreement including but not limited to regulatory approvals and the Company having a minimum cash balance of \$400,000 and no liabilities at the date of the closing.

The Agreement can be terminated by the Company or GoldCoast if conditions precedent detailed in the Agreement were not met.

On January 27, 2026 the Company announced that GoldCoast has been granted a series of ten contiguous offshore licenses in accordance with Section 31 of the Minerals and Mining Act, 2006 (Act 703) by the Minerals Commission of Ghana covering approximately 10,000 square kilometres area.

On February 24, 2026, the Company entered into an amending agreement (the "Amending Agreement") with GoldCoast and Psyence Therapeutics Corp, to amend the Agreement. The Amending Agreement provides for certain amendments to the Agreement in connection with the proposed Amalgamation, including: (i) an extension of the long-stop date for the holding of required shareholder meetings from January 30, 2026 to April 30, 2026; (ii) an extension of the outside date for completion of the Amalgamation (the "Closing Date") from March 31, 2026 to May 31, 2026; (iii) a corresponding extension of the termination date under the Agreement from March 31, 2026 to May 31, 2026; and (iv) a reduction of the minimum cash condition applicable to the Company at closing from \$400,000 to \$250,000.

On July 20, 2026, the Company entered an amendment with GoldCoast and Psyence Therapeutics Corp, to the previously announced amalgamation agreement dated November 21, 2025. The Amendment accounts for the replacing the closing date by deleting "May 31, 2026" with "July 31, 2026".

On April 30, 2025 the Company sold all its shares in Psyence Biomedical Ltd. ("**PBM**"), its NASDAQ listed subsidiary which resulted in a loss of control over PBM, refer to Note 9.

On April 23, 2025, the Company consolidated its common shares and warrants on the basis of 15:1.

All prior share capital information has been presented based on these ratios.

Going concern

These consolidated financial statements have been prepared on a going concern basis which assumes that the Company will, in the foreseeable future, realize on its assets and discharge its liabilities in the normal course of business as they come due. Accordingly, the consolidated financial statements do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern and, therefore be required to realize its assets and liquidate its liabilities and commitments in other than the normal course of business and at amounts different from those in these consolidated financial statements.

As of March 31, 2026, the Company has an accumulated deficit of \$23,812,395 (March 31, 2025- \$23,226,817). In addition, the Company generated negative cash flow from operating activities of \$972,430(2025- \$5,549,197). Management has considered the significance of such condition in relation to the Company's ability to meet its current obligations and to achieve its business targets and determined that these conditions are indicators of material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern.

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The Company's ability to continue as a going concern is dependent upon its ability to generate future profitable operations and/or to obtain the necessary financing to conduct its planned business, meet its on-going levels of corporate overhead and discharge its liabilities as they come due. The Company has historically raised funds from the issuance of shares and convertible debentures. The Company's ability to obtain additional financing is materially uncertain, as there is no assurance that additional funding will be available on a timely basis or on terms acceptable to the Company.

2. Basis of presentation

Statement of compliance

These consolidated financial statements of the Company have been prepared in accordance with IFRS® Accounting Standards as issued by the International Accounting Standard Board ("IFRS") on a going concern basis.

The consolidated financial statements were authorized for issuance on July 24, 2026 by the directors of the Company.

Basis of measurement

These Consolidated Financial Statements have been prepared on a historical cost basis, except for certain financial instruments, which are classified as fair value through profit or loss ("FVTPL").

Functional and presentation currency

These consolidated financial statements are presented in Canadian Dollars ("**CAD \$**"), which is also PGI's functional currency. The functional currency of PGI's subsidiaries: Psyence Therapeutics Corp ("**PTC**") is Canadian Dollars; Psyence Australia (Pty) Ltd, is the Australian Dollar ("**AUD \$**"); Psyence Biomedical Ltd, Psyence Biomed II Corp. and Newcourt Acquisition Corp., is the United States Dollar ("**USD \$**").

Basis of consolidation

These consolidated financial statements incorporate the accounts of the Company and its subsidiaries. A subsidiary is an entity controlled by the Company and its results are consolidated into the financial results of the Company from the effective date of control up to the effective date of loss of control.

Control exists when an investor is exposed, or has rights, to variable returns from the involvement with the investee and has liability to affect those returns through its power over the investee. Where the Company's interest is less than 100%, the Company recognizes non-controlling interests ("**NCI**").

The entities included in PGI consolidated financial statements as of March 31, 2026 are as follows:

Name of entity	Place of incorporation	% Ownership	Accounting method
Psyence Therapeutics Corp.	Ontario	100%	Consolidation

On April 30, 2025, the Company disposed fully of its interests in Psyence Biomedical Ltd, Psyence Australia (Pty) Ltd, Psyence Biomed II Corp. and Newcourt Acquisition Corp. for the net proceeds of \$426,170 to third party investors, Note 15.

3. Material accounting policies

Financial instruments

Financial assets and financial liabilities, including derivatives, are recognized on the consolidated statements of financial position when the Company becomes a party to the financial instrument or derivative contract.

Summary of the Company's classification and measurements of financial assets and liabilities:

Financial Assets and Liabilities	Classification	Measurement
Cash and cash equivalents	Amortized cost	Amortized cost
Restricted cash	Amortized cost	Amortized cost
Other receivables (excluding sales tax receivable)	Amortized cost	Amortized cost
Accounts payable and accrued liabilities	Amortized cost	Amortized cost
Investment Psyence Labs Ltd.	FVTPL	Fair value
Derivative warrant liability	FVTPL	Fair value

Classification

The Company classifies its financial assets in the following measurement categories: i) those to be measured subsequently at fair value through profit or loss ("**FVTPL**"); ii) those to be measured subsequently at fair value through other comprehensive income ("**FVOCI**"); and iii) those to be measured at amortized cost. The classification of financial assets depends on the business model for managing the financial assets and the contractual terms of the cash flows. Financial liabilities are classified as those to be measured at amortized cost unless they are designated as those to be measured subsequently at FVTPL (irrevocable election at the time of recognition). For assets and liabilities measured at fair value, gains and losses are either recorded in net loss or other comprehensive income (loss).

The Company reclassifies financial assets only when its business model for managing those assets changes. Financial liabilities are not reclassified.

Amortized cost

This category includes financial assets that are held within a business model with the objective to hold the financial assets to collect contractual cash flows that meet the sole payments of principal and interest ("SPPI") criterion. Financial assets classified in this category are measured at amortized cost using the effective interest method.

Fair value through profit or loss

This category includes derivative instruments as well as equity instruments which the Company has irrevocably elected, at initial recognition or transition, to classify at FVTPL. This category would also include debt instruments of which the cash flow characteristics fail the solely payments of principal and interest ("SPPI") criterion or are not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell. Financial assets in this category are recorded at fair value with changes recognized in net loss. The Company records derivative warrants liabilities at FVTPL. Derivatives are mandatorily recorded at FVTPL.

Financial assets at fair value through other comprehensive income

Equity instruments that are not held-for-trading can be irrevocably designated to have their change in fair value recognized through other comprehensive income (loss) instead of through net loss. This election can be made on individual instruments and is not required to be made for the entire class of instruments. Attributable transaction costs are included in the carrying value of the instruments.

Financial assets at fair value through other comprehensive income/(loss) are initially measured at fair value and changes therein are recognized in other comprehensive income/(loss).

Compound financial instrument and derivative liability

The Company determined that the warrants, including public warrants and the private warrants are derivative instruments and should be classified as a financial liability and are measured at FVTPL. Derivative and financial liabilities designated at FVTPL are carried subsequently at fair value with gains or losses recognized in net loss.

Each embedded derivative is measured and presented separately unless the whole hybrid financial instrument is designated as at FVTPL.

Measurement

All financial instruments are required to be measured at fair value on initial recognition, plus, in the case of a financial asset or financial liability not at FVTPL, transaction costs that are directly attributable to the acquisition or issuance of the financial asset or financial liability. Transaction costs of financial assets and financial liabilities carried at FVTPL are expensed in net loss. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payments of principal and interest.

Financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortized cost at the end of the subsequent accounting periods. All other financial assets including equity investments are measured at their fair values at the end of subsequent accounting periods, with any changes taken through net loss or other comprehensive income (loss) (irrevocable election at the time of recognition). For financial liabilities measured subsequently at FVTPL, changes in fair value are recorded in profit and loss, except where changes in fair value are attributable to changes in own credit risk which is recorded in other comprehensive income.

The Company recognizes a loss allowance for the expected credit losses associated with its financial assets, other than financial assets measured at fair value through profit or loss. Expected credit losses are measured to reflect a probability-weighted amount, the time value of money, and reasonable and supportable information regarding past events, current conditions and forecasts of future economic conditions.

The Company applies the simplified approach for other receivables. Using the simplified approach, the Company records a loss allowance equal to the expected credit losses resulting from all possible default events over the assets' contractual lifetime.

The Company assesses whether there has been a significant increase in credit risk since initial recognition or a financial asset is credit-impaired at the reporting date. Regular indicators that a financial instrument is credit impaired include significant financial difficulties as evidenced through borrowing patterns or observed balances in other accounts and breaches of borrowing contracts such as default events or breaches of borrowing covenants.

For financial assets with a significant increase in credit risk since initial recognition and financial assets assessed as credit impaired at the reporting date, the Company continues to recognize a loss allowance equal to lifetime expected credit losses. For financial assets measured at amortized cost, loss allowances for expected credit losses are presented in the statement of financial position as a deduction from the gross carrying amount of the financial asset.

Financial assets are written off when the Company has no reasonable expectations of recovering all or any portion thereof.

The Company reverses impairment losses on financial assets carried at amortized cost when the decrease in impairment can be objectively related to an event occurring after the impairment loss was initially recognized.

Foreign currency translation

The consolidated financial statements are presented in CAD \$ which is PGI's functional currency. The functional currencies of the operating subsidiaries of the Company are the USD, the AUD \$, and CAD \$.

In each individual entity, a foreign currency transaction is initially recorded in the functional currency of the entity, by applying the exchange rate between the functional currency and the foreign currency at the date of the transaction.

At the end of the reporting period, monetary assets and liabilities of the Company which are denominated in foreign currencies are translated at the period-end exchange rate. Non-monetary assets and liabilities are translated at rates in effect at the date the assets were acquired, and liabilities incurred.

The resulting exchange gains or losses arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition, are included in profit or loss in the period in which they arise.

For the purpose of presenting these consolidated financial statements, the assets and liabilities of the subsidiary are translated into CAD \$ at the exchange rates prevailing at the end of the reporting period. Income and expenses are translated at the average rates for the period. Reserves and inter-company balances are translated at their historical exchange rate. Exchange differences arising are recognized in foreign currency translation reserve.

Income taxes

Income tax expense consists of current and deferred tax expense. Current and deferred tax are recognized in profit or loss except to the extent that it relates to items recognized directly in equity or other comprehensive income. Current tax is recognized and measured at the amount expected to be recovered from or payable to the taxation authorities based on the income tax rates enacted or substantively enacted at the end of the reporting period and includes any adjustment to taxes payable in respect of previous years. Deferred tax is recognized on any temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable earnings. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized and the liability is settled. The effect of a change in the enacted or substantively enacted tax rates is recognized in net loss and comprehensive loss or in shareholders' equity depending on the item to which the adjustment relates. Deferred tax assets are recognized to the extent future recovery is probable. At each reporting period end, deferred tax assets are reduced to the extent that it is no longer probable that sufficient taxable earnings will be available to allow all or part of the asset to be recovered.

Share capital

Financial instruments issued by PGI are classified as shareholders' equity only to the extent that they do not meet the definition of a financial asset or financial liability. PGI's common shares, restricted stock units and share options are classified as equity instruments.

Incremental costs directly attributable to the issuance of new shares are recognized as a deduction from shareholders' equity.

Share-based payments

The Company operates equity settled share-based remuneration plans for its eligible directors, officers, employees and consultants. All goods and services received in exchange for the grant of any share-based payments are measured at their fair value unless the fair value cannot be estimated reliably. If the Company cannot estimate reliably the fair value of the goods and services received, the Company shall measure their value indirectly by reference to the fair value of the equity instruments granted. For transactions with employees and others providing similar services, the Company measures the fair value of the services by reference to the fair value of the equity instruments granted. Equity settled share-based payments under share-based payment plans are ultimately recognized as an expense in profit or loss with a corresponding credit to contributed surplus, in equity. If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available

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estimate of the number of share options expected to vest. Non-market vesting conditions are included in the assumptions about the number of options that are expected to become exercisable. Estimates are subsequently revised if there is any indication that the number of share options expected to vest differs from the previous estimate. Any cumulative adjustment prior to vesting is recognized in the current period. No adjustment is made to any expense recognized in prior period if share options ultimately exercised are different to that estimated on vesting. Market conditions are considered in the estimate of the fair value of share-based compensation on a grant date.

Intangible assets

Intangible assets are recognized when:

- it is probable that an associated future economic benefit will flow to the Company; and
- the cost can be measured reliably.

Intangible assets are initially recorded at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and/or impairment losses.

Intangible assets with finite useful lives are amortized on a straight-line basis over their estimated useful lives using the following rates:

Asset	Method	Rate
Website	Straight-line	5 years

The amortization period and the amortization method for intangible assets are reviewed every period end. During the year ended March 31, 2026, the Company did recognize an impairment loss.

Cash and cash equivalents

Cash and cash equivalents include cash on hand and, when applicable, short-term, highly liquid deposits which are either cashable or with original maturities of less than three months at the date of their acquisition.

Restricted cash

Restricted cash comprises a collateral agreement with a major chartered bank in Canada with regards to a credit card facility against which the Company deposited in a guaranteed investment certificate with the bank.

Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control. Related parties may be individuals or entities. A transaction is considered to be a related party transaction when there is transfer of resources or obligations between related parties.

Impairment of non-financial assets

The carrying amount of the Company's non-financial assets (which include property and equipment and intangible assets) are reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognized in the consolidated statements of net loss and comprehensive income (loss).

The recoverable amount of assets is the greater of an asset's fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

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An impairment loss is only reversed to profit or loss if there is an indication that the impairment loss no longer exists and there has been a change in the estimates used to determine the recoverable amount. Any reversal of impairment cannot increase the carrying value of the asset to an amount higher than the carrying amount that would have been determined had no impairment loss been recognized in previous years.

Provisions

Provisions are recognized when the Company has a present obligation, legal or constructive as a result of a previous event, if it is probable that the Company will be required to settle the obligation and a reliable estimate can be made of the obligation. The amount recognized is the best estimate of the expenditure required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligations. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate of the expected future cash flows.

Research and development

Expenditures on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, are recognized in the consolidated statements of net loss and comprehensive income (loss) as incurred.

Development expenditures are capitalized only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to complete development and has sufficient resources to complete development and to use or sell the asset. Other development expenditures are expensed as incurred. Research and development expenses include all direct and indirect operating expenses supporting the products in development. The costs incurred in establishing and maintaining patents are expensed as incurred.

Loss per share

Basic loss per share is computed by dividing net loss attributable to common shareholders by the weighted average number of shares outstanding in the period. Diluted loss per share is calculated by the treasury stock method. Under the treasury stock method, the weighted average number of common shares outstanding for the calculation of diluted loss per share assumes that the proceeds to be received on the exercise of dilutive share options and warrants are used to purchase common shares at the average market price during the period. The impact of convertible securities issued during the year ended March 31, 2026 and March 31, 2025 are anti-dilutive.

Non- controlling interest

The Company recognizes non-controlling interests in an acquired entity either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets, determined on an acquisition-by- acquisition basis. In subsequent periods, the portion of the Company's net profit (loss) is allocated to non-controlling interest based on the ownership percentage of the non-controlling interest in the Company's subsidiaries. Changes in the Company's ownership interest after control is obtained, that do not result in a change in control of the subsidiary, are accounted for as equity transactions.

If the Company maintains control, it will recognize no gain or loss in the income statement on selling a subsidiary's shares. Similarly, the Company will not record any additional goodwill to reflect its subsequent purchases of additional shares in a subsidiary if there is no change in control. Instead, the carrying amount of the non-controlling interest will be adjusted to reflect the change in the ownership interest in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognized in equity and attributed to the Company's equity holders.

Accounting Standards Issued But Not Yet Effective

A number of new standards, and amendments to standards and interpretations, are not yet effective for the year ended March 31, 2026, and have not been early adopted in preparing these consolidated financial statements.

IFRS 18 Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued *IFRS 18 – Presentation and Disclosure in Financial Statements* which will replace *IAS 1, Presentation of Financial Statements*. The key new concepts introduced in IFRS 18 relate to the structure of the statement of earnings (loss), required disclosures in the financial statements for certain earnings or loss performance measures that are reported outside an entity's financial statements and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general. IFRS 18 will apply for reporting periods beginning on or after January 1, 2027, and also applies to comparative information. The Company is still in the process of assessing the impact of this standard on its consolidated financial statements.

Amendments to the Classification and Measurement of Financial Instruments (“Amendments to IFRS 9 and IFRS 7”)

In May 2024, the IASB issued Amendments to IFRS 9 and IFRS 7 which clarify the date of recognition and derecognition of some financial assets and liabilities with a new exception for some financial liabilities settled through an electronic cash transfer system, clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest criterion, add new disclosures for certain instruments with contractual terms that can change cash flows such as instruments with features linked to the achievement of environmental, social and governance targets; and update the disclosures for equity instruments designated at FVOCI. Amendments to IFRS 9 and IFRS 7 is effective for periods beginning on or after January 1, 2026, with early adoption permitted. The Company has assessed these amendments to have no material impact on its consolidated financial statements.

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates and are not expected to have a significant impact on the Company's consolidated financial statements.

4. Critical accounting estimates and judgements

The preparation of consolidated financial statements in conformity with IFRS requires management to make certain estimates, judgments and assumptions concerning the future. Actual results may differ from these estimates. The Company's management reviews these estimates, judgments, and assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted prospectively in the period in which the estimates are revised. The following are considered to be critical accounting estimates and judgements by management for the years ended March 31, 2026 and March 31, 2025 as these require a high level of subjectivity and judgement and could have a material impact on the Company's consolidated financial statements.

Going concern

These Consolidated financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations.

Management routinely plans future activities including forecasting future cash flows and forming judgements collectively with directors of the Company.

Judgement is required in determining if the Company's has sufficient cash reserves, together with all other available information, to continue as a going concern for a period of at least twelve months.

As at March 31, 2026 the Company has concluded that a material uncertainty exists that casts significant doubt about the Company's ability to continue as a going concern.

Contingencies

From time to time, the Company is named as a party to claims or involved in proceedings, including legal, regulatory and tax related, in the ordinary course of its business. While the outcome of these matters may not be estimable at the reporting date, the Company makes provisions, where possible, for the estimated outcome of such claims or proceedings. Should a loss result from the resolution of any claims or proceedings that differs from these estimates, the difference will be accounted for as a charge to profit or loss in that period. The actual results may vary and may cause significant adjustments.

Share-based compensation

The Company measures equity settled share-based payments based on their fair value at the grant date and recognize compensation expense over the vesting period based on management's estimate of equity instruments that will eventually vest. The determination of the fair value of stock options using the Black-Scholes option pricing model requires the input of highly subjective assumptions, including the expected price volatility. Changes in the subjective input assumptions could materially affect the fair value estimate. Expected forfeitures are estimated at the date of grant and subsequently adjusted if further information indicates actual forfeitures may vary from the original estimate. The impact of the revision of the original estimate is recognized in profit or loss such that the cumulative expense reflects the revised estimate.

For share-based payments granted to non-employees, the compensation expense is measured at the fair value of the goods and services received except where the fair value cannot be estimated in which case it is measured at the fair value of the equity instruments granted. The fair value of share-based compensation to non-employees is periodically re-measured until counterparty performance is complete, and any change therein is recognized over the period and in the same manner as if cash was paid instead of paying with or using equity instruments.

Income taxes

Provisions for taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxing authorities. Where the outcome of these tax-related matters is different from the amounts that were initially recorded, such differences will affect the tax provisions in the period in which such determination is made.

Deferred tax assets

Deferred tax assets, including those arising from un-utilized tax losses, require management to assess the likelihood that the Company will generate sufficient taxable earnings in future periods in order to utilize recognized deferred tax assets. Assumptions about the generation of future taxable profits depend on management's estimates of future cash flows. In addition, future changes in tax laws could limit the ability of the Company to obtain tax deductions in future periods. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realize the net deferred tax assets recorded at the reporting date could be impacted.

5. Cash, restricted cash and cash equivalents

Cash and cash equivalents include the following amounts:

- An amount of \$439,941 (March 31, 2025 - \$8,888,570) unrestricted cash held with chartered banks and;
- an amount of \$0 (March 31, 2025 - \$51,702) in a guaranteed investment certificate with a bank as collateral for a credit card facility agreement with a leading chartered bank in Canada. Amounts are held in restricted cash on the consolidated statement of financial position.

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6. Other receivables

Other receivables include the following amounts.

	March 31, 2026 \$	March 31, 2025 \$
Other receivables	119	53,286
Sales tax receivable	6,753	147,447
Total	6,872	200,733

The Company estimated the expected credit loss on other receivables to be nominal during the year ended March 31, 2026 and March 31, 2025.

7. Loan receivable from GoldCoast Resources Corp.

On August 20, 2025, the Company signed a LOI with GoldCoast (Note 1) and agreed to advance \$343,867 (US\$250,000) subject to the terms and conditions of the Loan Agreement within 5 days of signing the LOI. Interest shall accrue on any outstanding amount at the rate of 10% per annum, payable upon maturity. During the year ended March 31, 2026, the Company recorded \$20,371 interest income in its consolidated financial statements of net income (loss) and comprehensive income (loss). The loan will be secured pursuant to a general security agreement against all of the assets of GoldCoast. In the event that the Acquisition does not close, any amounts owing under the Loan shall be due and payable within 21 days of demand by the Company.

Subject to the terms and conditions of the LOI, if the amalgamation closes, the outstanding amount including all accrued and unpaid interest, shall be deemed satisfied and extinguished in full and shall no longer be repayable by GoldCoast. In consideration for such forgiveness, the Company shall receive an equity interest in the Resulting Issuer, as determined in accordance with the share conversion and exchange formula set out in the LOI which expressly accounts for the value of the outstanding amount being forgiven.

In the event that the amalgamation does not close by the earlier of (i) the closing date contemplates in the Definitive Agreement or (ii) July 31, 2026, the outstanding amount plus accrued interest shall be due and payable within 21 days of demand of the Company. If GoldCoast fails to pay the outstanding amount plus accrued interest by the due date, the Company shall have the right to convert the outstanding amount and accrued interest into that number of common shares of GoldCoast calculated at a price per share equal to the price of the last equity financing completed by GoldCoast prior to the date of the LOI, being US\$0.057 per share.

8. Property and equipment

CAD \$	Computer equipment	Buildings	Right-of-use asset	Production equipment	Furniture & fixtures	Bulk infrastructure	Total
Cost							
Opening Balance	18,407	1,510,149	33,889	61,170	19,644	53,557	1,696,816
Additions	13,742	-	-	-	-	-	13,742
Disposals	(10,977)	(1,556,995)	(34,941)	(63,068)	(20,253)	(55,218)	(1,741,452)
Foreign Exchange	1,261	46,846	1,052	1,898	609	1,661	53,327
At March 31, 2025	22,433	-	-	-	-	-	22,433
Disposals	(21,828)	-	-	-	-	-	(21,828)
Foreign exchange	(605)	-	-	-	-	-	(605)
At March 31, 2026	-	-	-	-	-	-	-

Accumulated Depreciation

Opening Balance	8,836	146,266	185	25,466	18,877	30,506	230,136
Charge for the year	5,939	-	-	-	-	-	5,939

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Disposals	(8,776)	(150,803)	(191)	(26,255)	(19,463)	(31,453)	(236,941)
Foreign exchange	483	4,537	6	789	586	947	7,348
At March 31, 2025	6,482	-	-	-	-	-	6,482
Charge for the year	598	-	-	-	-	-	598
Disposals	(6,906)	-	-	-	-	-	(6,906)
Foreign exchange	(174)	-	-	-	-	-	(174)
At March 31, 2026	-	-	-	-	-	-	-

Carrying Value

At March 31, 2025	15,951	-	-	-	-	-	15,951
At March 31, 2026	-	-	-	-	-	-	-

9. Intangible assets

The Company acquired a domain name and have commissioned additional improvements, which is recognized under intangible assets at cost and it is carried at the amortized value less any accumulated impairment losses. During the year ended March 31, 2026, management assessed the recoverable amount of the intangible asset and concluded that it was nil. Accordingly, the Company recognized an impairment loss of \$12,381, reducing the carrying amount of the intangible asset to nil.

Intangible Assets	\$
<u>Cost:</u>	
Opening Balance	25,212
Additions	-
At March 31, 2025	25,212
Additions	-
At March 31, 2026	25,212
<u>Accumulated Amortization and impairment:</u>	
Opening Balance	(7,790)
Charge for the year	(2,521)
At March 31, 2025	(10,311)
Charge for the year	(2,520)
Impairment loss	(12,381)
At March 31, 2026	(25,212)
<u>Carrying amount:</u>	
At March 31, 2025	14,901
At March 31, 2026	-

10. Investment in Psyence Labs Ltd.

On April 1, 2024, the Company sold its investment in Mind Health (Pty) Ltd, Psyence South Africa (Pty) Ltd, Psyence UK Group Ltd, and its 50% shareholding in Good Psyence (Pty) Ltd. in exchange for 1,000 shares in Psyence Labs Ltd. ("PsyLabs"). PsyLabs is a private company headquartered in the British Virgin Islands, and focused on the production of psychedelic active pharmaceutical ingredients and extracts.

The sale of subsidiaries for 1,000 PsyLabs shares resulted in a loss of \$540,970 which was recorded in the consolidated statements of net loss and comprehensive income (loss).

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The fair value of the investment in PsyLabs shares as at March 31, 2025, was estimated at \$1,071,012 (US\$745,000), based on a recent arm's length subscription transaction by a third-party investor at US\$745 per PsyLabs share.

On April 28, 2025, the Company's former subsidiary PBM bought 250 PsyLabs shares in two tranches. The first tranche PBM bought 125 shares in exchange for \$345,300 (US\$250,000). The fair value loss of this investment was \$219,441 (US\$156,875), based on the arm's length subscription transaction by a third-party investor at US\$745 per PsyLabs share.

The investment in PsyLabs was disposed on April 30, 2025 when the Company disposed its shares in PBM (Note 14).

11. Accounts payable and accrued liabilities

Accounts payable and accrued liabilities include the following amounts:

	March 31, 2026	March 31, 2025
	\$	\$
Trade payables	1,082	399,066
Accrued liabilities	-	71,083
Provisions	136,155	305,926
Total	137,237	776,075

For the year ended March 31, 2026, the Company recognized total provisions amounting to \$136,155 (March 31, 2025 - \$305,926). These provisions reflect the Company's obligation to settle these amounts in the future. The provisions are based on the best estimate of the expenditures required to settle the present obligations at the reporting date.

12. Share capital

Authorized share capital

Unlimited number of voting common shares without par value.

Issued and outstanding

On April 23, 2025, the Company consolidated its common shares and warrants on the basis of 15:1.

As at March 31, 2026, there were 15,638,267 (March 31, 2025 – 9,387,695) issued and outstanding Common Shares.

Common shares	2026		2025	
	Number	Amount (\$)	Number	Amount (\$)
Opening balance April 1	9,387,695	21,826,722	9,273,748	21,662,052
Issuance of shares in private placement	6,000,000	600,000	-	-
Issuance of shares for RSUs exercise	250,572	111,136	87,280	158,670
Issuance of shares for debt settlement	-	-	26,667	6,000
Balance as at March 31,	15,638,267	22,537,858	9,387,695	21,826,722

Common shares

Private placements

On June 25, 2025, the Company issued 4,790,000 shares with a subscription price of \$0.10 in a private placement. The Company received proceeds of \$479,000.

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On July 4, 2025, the Company issued 1,210,000 shares with a subscription price of \$0.10 in a private placement. The Company received proceeds of \$121,000.

RSU exercise

On May 1, 2024, the Company issued 61,667 shares for the exercise of RSU's by various consultants and an employee of the Company. Upon exercise, amounts totalling \$120,250 was transferred from contributed surplus to share capital, determined by reference to the original fair value of the RSU's determined on the date of grant.

On January 10, 2025, the Company issued 25,613 shares for the exercise of RSU's by various consultants and an employee of the Company. Upon exercise, amounts totalling \$38,420 was transferred from contributed surplus to share capital, determined by reference to the original fair value of the RSU's determined on the date of grant.

On June 12, 2025, the Company issued 250,572 shares for the exercise of RSU's by various consultants of the Company. Upon exercise, amounts totalling \$111,136 was transferred from contributed surplus to share capital, determined by reference to the original fair value of the RSU's determined on the date of grant.

Debt settlement

On March 14, 2025 the Company issued 26,667 shares debt in lieu of consulting fees to the value of \$70,000. The shares issued were determined to have a fair value equal to \$76,000 by reference to the trading price of the Company's shares on the date of settlement, resulting in a loss on settlement of debt totalling \$6,000 recognized in the consolidated statements of loss and comprehensive loss for the year ended March 31, 2025.

Stock Options

The changes in stock options outstanding during the years ended March 31, 2026 and March 31, 2025 are as follows:

	Year ended March 31, 2026	
	Number of options	Weighted average exercise price (\$)
Outstanding, at beginning of year	403,936	1.35
Expired (i)	(272,492)	1.08
Options outstanding, ending	131,444	1.85
Options exercisable, ending	131,444	1.85

	Year ended March 31, 2025	
	Number of options	Weighted average exercise price (\$)
Outstanding, at beginning of year	403,936	1.35
Options outstanding, ending	403,936	1.35
Options exercisable, ending	403,936	1.35

- (i) On December 31, 2025, a total of 272,492 options expired unexercised. The options were granted on December 31, 2020 and November 14, 2023

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The following stock options are outstanding at March 31, 2026:

Expiry date	Number of options outstanding	Exercise price \$	Weight average remaining life (years)	Number of options exercisable
December 31, 2027	27,778	0.90	1.75	27,778
March 31, 2028	93,667	2.10	2.00	93,667
May 25, 2028	10,000	2.10	2.15	10,000
	131,445		1.97	131,445

During the year ended March 31, 2026, \$0 (March 31, 2025 - \$3,111) was expensed and recorded as share-based payments under professional fees and consulting fees and general and administrative in the consolidated statements of net loss and comprehensive income (loss) based on the vesting terms and forfeiture of the options.

Restricted stock units (RSUs)

The changes in RSUs outstanding during the years ended March 31, 2026 and March 31, 2025 are as follows:

	Year ended March 31, 2026
	Number of RSUs
Outstanding, at beginning of year	99,777
Issued during the year (i)(ii)	1,323,831
Exercised during year	(250,572)
RSUs outstanding, ending	1,173,036
RSUs exercisable, ending	1,173,036

	Year ended March 31, 2025
	Number of RSUs
Outstanding, at beginning of year	210,613
Issued during the year (iii)	(87,280)
Cancelled during year (i)	(23,556)
RSUs outstanding, ending	99,777
RSUs exercisable, ending	49,889

- (i) On April 1, 2025, a total of 602,300 RSUs were issued to consultants of the Company.
- (ii) On October 8, 2025, a total of 721,531 RSUs were issued to consultants of the Company.
- (iii) During the year ended March 31, 2025, a total of 23,556 RSUs were forfeited due to the termination of services from consultants and an employee of the Company. In connection with the RSUs forfeited and cancelled, previous share-based payment expenses totaling \$33,572 were reversed under professional fees and consulting fees and general and administrative expenses in the consolidated statements of net loss and comprehensive income (loss).

The RSUs granted are accounted for as an equity instrument whereby share-based payments recognized in the consolidated statements of net loss and comprehensive income (loss) are held in options reserve until exercised.

During the year ended March 31, 2026, \$115,429 (March 31, 2025 - \$91,570) was expensed and recorded as share-based compensation under professional fees and consulting fees and general and

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administrative in the consolidated statements of net loss and comprehensive income (loss) on the vesting of RSUs.

13. Non-controlling interest (NCI)

During the year ended March 31, 2026, the share of losses attributable to non-controlling shareholders was \$807,956 (March 31, 2025 – of \$369,981). On April 30, 2025, the Company sold all its ownership in PBM for the net proceeds of \$426,170 to third party investors. As a result, the Company lost control over PBM. This resulted in the deconsolidation of PBM from the consolidated financial statements and the resulting loss on disposal of subsidiaries has been reflected in the consolidated statements of net loss and comprehensive income (loss). This resulted in the derecognition of NCI to the value of \$7,445,938.

14. Disposal of PBM

On April 30, 2025, the Company sold all its ownership in PBM for the net proceeds of \$426,170 to third party investors. As a result, the Company lost control over PBM. This resulted in the deconsolidation of PBM from the consolidated financial statements and the resulting loss on disposal has been recorded in the consolidated statements of net income (loss) and comprehensive income (loss).

The following summarizes the sale date fair value of the consideration received and the net book value of the assets sold and liabilities transferred:

Consideration received	426,170
Carrying value of NCI derecognised	7,445,938
Foreign currency translation reserve	562,371
Net assets disposed:	
Cash and cash equivalents	(7,813,202)
Other receivables	(156,437)
Prepays	(313,801)
Property and equipment	(14,735)
Investment in Psyence Labs Ltd	(1,157,618)
Accounts payable and accrued liabilities	434,988
Derivative warrant liabilities	299,284
Loss on disposal	<u>(287,042)</u>

15. Derivative warrant liabilities

The Company, through PBM had two classes of warrant liabilities outstanding: Public Warrants and Private Warrants. As of March 31, 2026, there were no warrants issued and outstanding (March 31, 2025 – 3,169 Public Warrants and 153 Private Warrants). Each warrant was exercisable to purchase one common share at a price of US\$42,963.28 per share. Due to warrants having a cashless exercise feature, the warrants are treated as a liability.

During the year ended March 31, 2025, PBM entered into the Warrant Exchange Agreement. Pursuant to the Warrant Exchange Agreement, PBM issued to the Holder 117 PBM's common shares in exchange for the surrender and cancellation of 117 Public Warrants held by the Holder. The warrants exchange resulted in a loss of \$257,474 (US\$185,064) which was recorded in the consolidated statements of net loss and comprehensive income (loss).

Public Warrants: The fair value of the Public Warrants is determined based on the observable market price, as they continue to be traded on the Nasdaq under the symbol "PBMWW." Changes in fair value during the years ended March 31, 2026 and March 31, 2025 have been recognized in the consolidated statements of loss and comprehensive income (loss).

Private Warrants: The Company estimated the fair value of the Private Warrants to be nominal, using a Black-Scholes options valuation model.

At March 31, 2026 and March 31, 2025 the fair value of the Public and Private Warrants was \$nil and \$287,658, respectively. For the year ended March 31, 2026, a fair value loss of \$22,911 was recognized in the consolidated statements of net loss and comprehensive income (loss) (March 31, 2025- gain of \$966,259).

16. PBM ELOC

On August 28, 2024, PBM entered into a US\$25 million equity line of credit (ELOC) agreement with White Lion Capital, LLC, which was declared effective by the U.S. Securities and Exchange Commission (SEC). This agreement allowed PBM to sell up to US\$25 million in shares over a 24-month period, subject to specific conditions outlined in the Purchase Agreement.

As part of the consideration for entering into the ELOC, PBM issued 543 PBM's common shares to White Lion at a fair value of \$269,550 (US\$187,500) as a commitment fee in the prior year.

During the year ended March 31, 2025, PBM issued 35,024 PBM's common shares for total consideration of \$9,621,130 (US\$6,692,495). PBM incurred \$405,546 (US\$282,100) in cash settled share issuance costs.

17. PBM's PIPE Financing - Private Placement and Warrants

Private placement

On December 24, 2024, PBM completed a private placement with HC Wainwright & Co., LLC ("HCW"), raising gross proceeds of \$2,875,200 (US\$2,000,000) through the issuance of:

- 7,629 PBM's common shares,
- 12,447 pre-funded warrants (each exercisable into one PBM's common share at a nominal exercise price), and
- 40,150 PBM's common share purchase warrants, comprising:
 - o 20,075 PBM warrants with an exercise price of US\$99.63 per PBM's share and a 5-year term (expiring December 24, 2029), and
 - o 20,075 PBM warrants with an exercise price of US\$99.63 per PBM share and a 2-year term (expiring December 24, 2026).

The proceeds were allocated between the common shares and the warrants based on their relative fair values on the date of issuance.

PBM incurred \$370,829 (US\$257,949) in cash settled share issuance costs

18. Transactions with related parties

All related party transactions are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties. All amounts either due from or due to related parties other than specifically disclosed are non-interest bearing, unsecured and have no fixed

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terms of repayments. The Company incurred the following transactions with related parties during the year ended March 31, 2026 and March 31, 2025:

Compensation to key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel include the Company's executive officers and Board of Directors.

Key Management Personnel	March 31, 2026	March 31, 2025
Short term benefits	103,735	573,071
Share-based compensation	99,004	68,311
Total	202,739	641,382

Short term benefits consist of consulting fees, payroll and other benefits paid to key management personnel.

Balances

As at March 31, 2026, the Company held amounts totalling \$0 (March 31, 2025 - \$68,311) in accounts payable and accrued liabilities. These are amounts owing to key management personnel.

19. Financial instruments and financial risk management

In the normal course of business, the Company is exposed to a variety of financial risks: credit risk, liquidity risk, foreign exchange risk and interest rate risk. These financial risks are subject to normal credit standards, financial controls, risk management as well as monitoring. The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

Credit risk

Credit risk arises from cash and cash equivalents, restricted cash, other receivables and loan to joint venture. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses on financial assets. The Company minimizes the credit risk of cash by depositing with only reputable financial institutions. The Company also assesses the credit quality of counterparties, taking into account their financial position, past experience and other factors.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

As at March 31, 2026, the Company's financial liabilities consist of account payable and accrued liabilities.

The Company manages liquidity risk through an ongoing review of future commitments and cash balances available. Historically, the Company's main source of funding has been the issuance of shares for cash, primarily through private placements. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity or debt funding.

The following table illustrates the contractual maturities of financial liabilities as at March 31, 2026:

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Financial Instrument Maturity (\$)	Carrying amount	Contractual cash flows	Less than 1 year	Between 1 and 3 years
Accounts payable and accrued liabilities	137,237	137,237	137,237	-
Total	137,237	137,237	137,237	-

Foreign exchange risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency.

The Company operates internationally and is exposed to foreign exchange risk from the AUD and USD. Foreign exchange risk arises from transactions as well as recognized financial assets and liabilities denominated in foreign currencies.

A 10% adverse change in exchange rate would have resulted in a loss of \$38,029 as at March 31, 2025. (March 31, 2026 - \$881,291)

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has no significant interest-bearing assets or liabilities and therefore its income and operating cash flows are substantially independent of changes in market interest rates.

20. Loss per share

The calculation of basic and diluted (loss per common share for the year ended March 31, 2026 and March 31, 2025 was calculated as follows:

Earnings per share (\$)	March 31, 2026	March 31, 2025
Basic and diluted loss per share:		
Net loss	(1,393,534)	(30,249)
Average number of common shares outstanding	14,895,225	9,337,033
Loss per share – basic and diluted	(0.09)	(0.00)

The diluted weighted average number of common shares does not take into account the effects of stock options and warrants as they would be anti-dilutive for the year ended March 31, 2025 and March 31, 2026.

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21. Income taxes

The reconciliation of the combined Canadian federal and provincial statutory income tax rate of 26.5% (2025 – 26.5%) to the effective tax rate is as follows:

	2026	2025
Net Income/(Loss) before recovery of income taxes	(1,393,534)	(30,249)
Expected income tax (recovery)/expense	(369,287)	(8,016)
Difference in foreign tax rates	1,349	9,552
Non-taxable fair value gain adjustment	-	(2,396,195)
Non-deductible loss on loan settlement	-	745,821
Non-deductible loss on disposal of subsidiaries	76,066	-
Taxable capital gain on dispositions	-	50,886
Non-deductible share-based compensation	-	25,090
Share issue costs booked to equity	-	(68,680)
Other permanent expenses	56,676	164
Change in tax benefits not recognized	235,196	1,498,017
Income tax (recovery)/expense	-	-

Unrecognized deferred tax asset

Deferred taxes are provided as a result of temporary differences that arise due to the differences between the income tax values and the carrying amounts of assets and liabilities. Deferred tax assets have not been recognized in respect of the following deductible temporary differences:

Unrecognized deductible temporary differences	2026	2025
Property and equipment	-	6,481
Restricted interest and financing expenses - Canada	-	1,098,753
Intangible assets	151,277	143,030
Share issuance cost and others	19,608	1,145,784
Non-capital losses carried forward-Canada	7,619,854	17,941,615
Non-capital losses carried forward-Australia	1,971,973	1,487,201
	<u>9,762,712</u>	<u>21,822,864</u>

Share issuance and financing costs will be fully amortized in 2028.

The Company's non-capital loss carry forwards will expire as noted in the table below, and the capital loss carries forward indefinitely:

Year of expiry	Canada
2041	263,430
2042	3,172,170
2043	3,143,543
2044	319,034
2045	35,012
2046	367,702
2047	268,113
Total	<u>7,569,004</u>

22. Capital management

The Company manages its cash and cash equivalents and the components of shareholders' equity as capital. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development of natural health business, to maintain a flexible capital structure which optimizes the cost of capital at an acceptable risk level.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust its capital structure, the Company may attempt to issue new shares, issue new debt, acquire or dispose of assets or adjust the amount of cash and short-term investments on hand.

In order to facilitate the management of its capital requirements, the Company prepares annual budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. The annual and updated budgets are approved by the Board of Directors.

Management considers its approach to capital management to be appropriate given the relative size of the Company. There were no changes in the Company's approach to capital management during the year.

23. Subsequent Events

On April 23, 2026, the Company announced that it had entered into an amendment dated April 13, 2026 (the "Amendment") with GoldCoast and Psyence Therapeutics Corp, to the previously announced amalgamation agreement dated November 21, 2025. The Amendment accounts for the lapse of time, resulting in a revised formula for the proposed consolidation of the common shares of the Company to be completed.

On May 21, 2026, the Company held its annual general and special meeting of shareholders. At the meeting, shareholders approved matter relating to the Company's previously announced proposed amalgamation transaction.

On July 17, 2026, the CSE informed GoldCoast that following an internal Listing Application review, the CSE approved the listing subject to the following conditions:

- Completion of the Amalgamation Agreement previously dated November 30, 2025 and amended on dates April 13, 2026 and July 20, 2026 as described in Listing Statement.
- Completion of any and all outstanding CSE application documentation and the payment of fees pursuant to the Policies.
- The approval is valid for maximum of six months.

On July 20, 2026, the Company entered an amendment with GoldCoast and Psyence Therapeutics Corp, to the previously announced amalgamation agreement dated November 21, 2025. The Amendment accounts for the replacing the closing date by deleting "May 31, 2026" with "July 31, 2026".



Psyence Group Inc.

Consolidated Financial Statements

Years ended March 31, 2025 and March 31, 2024

Expressed in Canadian Dollars

(CAD \$)

Independent Auditor's Report

To the Shareholders of Psyence Group Inc.:

Opinion

We have audited the consolidated financial statements of Psyence Group Inc. and its subsidiaries (the "Company"), which comprise the consolidated statements of financial position as at March 31, 2025 and March 31, 2024, and the consolidated statements of net loss and comprehensive loss, changes in shareholders' equity and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at March 31, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audits of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the consolidated financial statements, which indicates that the Company incurred accumulated loss and generated negative cash flows from operating activities during the year ended March 31, 2025. As stated in Note 1, these events and conditions, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern or have a material adverse effect on the Company's business. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Control Assessment of Psyence Biomedical Ltd. ("PBM")

Key Audit Matter Description

As described in Note 2, 4 and 13 of the consolidated financial statements, as at March 31, 2025, the Company had a 15% ownership interest in PBM. This investment was consolidated on the basis of control in accordance with IFRS 10, Consolidated Financial Statements. We considered this to be a key audit matter due to the significant judgment required by management in determining whether the Company controls PBM. This in turn led to a high degree of auditor subjectivity, judgment and effort in performing procedures relating to the control assessment. The key considerations used in management's control assessment of PBM included the significant ownership interests held by the Company in PBM's voting rights, together with other factors described in Note 4.

Audit Response

We responded to this matter by performing procedures in relation to the control assessment of PBM. Our audit work in relation to this included, but not restricted to, the following:

- Assessed the reasonability of the Company's assessment of control under IFRS 10.
- Verified the shareholders of PBM to determine the size and dispersion of shareholdings of the other shareholders.
- Evaluated the existence of other facts and circumstances supporting control under IFRS 10, including an assessment of substantive potential voting rights held by the Company and other parties.
- Considered PBM's key management roles, including evaluation of related party transactions.
- Assessed composition of PBM's board members and appointment rights of the Board of Directors.
- Assessed the appropriateness of the disclosures relating to the control assessment of PBM in the notes to the consolidated financial statements.

Other Information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audits of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements, or our knowledge obtained in the audits or otherwise appears to be materially misstated. We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Company as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Eduard Shvekher.

MNP LLP

Toronto, Ontario
July 28, 2025

Chartered Professional Accountants
Licensed Public Accountants

PSYENCE GROUP INC.
Consolidated Financial Statements
(Expressed in Canadian Dollars)

Consolidated Statements of Financial Position

As at March 31, 2025 and March 31, 2024

CAD \$	Note	As at March 31, 2025	As at March 31, 2024
ASSETS			
Current assets			
Cash and cash equivalents	5	8,888,570	1,058,752
Restricted cash	5	51,702	50,123
Other receivables	6	200,733	237,223
Prepays		361,982	442,269
Total current assets		9,502,987	1,788,367
Non-current assets			
Investment in Psyence Labs Ltd	9	1,071,012	-
Property and equipment	7	15,951	1,466,680
Intangible assets	8	14,901	17,422
Total non-current assets		1,101,864	1,484,102
TOTAL ASSETS		10,604,851	3,272,469
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	10	776,075	1,477,138
NCAC promissory note	14	-	1,997,617
Convertible note liability	16	-	10,375,773
Derivative warrant liabilities	17	287,658	1,221,678
Current portion of lease liabilities		-	575
Total current liabilities		1,063,733	15,072,781
Non-current liabilities			
Lease liabilities		-	33,273
Total non-current liabilities		-	33,273
TOTAL LIABILITIES		1,063,733	15,106,054
SHAREHOLDERS' EQUITY/(DEFICIT)			
Share capital	11	21,826,722	21,662,052
Options reserve	11	1,949,797	2,013,786
Warrants reserve	11	-	1,574,721
Foreign currency translation reserve		737,522	124,365
Accumulated Deficit		(23,226,817)	(49,256,893)
TOTAL SHAREHOLDERS' EQUITY/(DEFICIT)		1,287,224	(23,881,969)
Non-controlling interest	13	8,253,894	12,048,384
TOTAL EQUITY/(DEFICIT)		9,541,118	(11,833,585)
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY/(DEFICIT)		10,604,851	3,272,469

Nature of operations and going concern (note 1)

Subsequent events (note 26)

Approved on behalf of the Board of Directors.

"Jody Aufrichtig"

Executive Chairman and Director

"Warwick Corden-Lloyd"

Director

The accompanying notes are an integral part of the Consolidated Financial Statements.

PSYENCE GROUP INC.
Consolidated Financial Statements
(Expressed in Canadian Dollars)

Consolidated Statements of Net Loss and Comprehensive Loss

For years ended March 31, 2025 and March 31, 2024

CAD \$	Note	2025	2024
Expenses			
Sales and marketing		676,310	152,162
Research and development		475,755	1,579,253
General and administrative		1,741,923	1,132,680
Professional fees and consulting fees		2,613,286	2,297,951
Depreciation and amortization	7,8	8,460	97,929
Loss before other items		(5,515,734)	(5,259,975)
Other items			
Other income	15	-	1,191,807
Interest income		133,399	3,572
Interest expense	15	(12,828)	(71,388)
Accretion expense		-	(1,238)
Foreign exchange gain/(loss)		1,471	8,965
Loss on disposal of subsidiaries	9	(540,970)	-
(Loss)/gain on settlement of debt	11	(6,000)	598,249
Listing expense	12	-	(55,943,552)
Transaction expense	12	-	(2,529,275)
Fair value gain/(loss) on NCAC promissory note	14	530,261	(81,901)
Fair value gain/(loss) on convertible note	16	4,671,367	(6,955,644)
Fair value gain/(loss) on warrant liability	17	966,259	(413,031)
Fair value loss on warrant exchange		(257,474)	-
NET LOSS		(30,249)	(69,445,310)
Other comprehensive income/(loss)			
Foreign exchange gain on translation		613,157	192,503
TOTAL COMPREHENSIVE INCOME/(LOSS)		582,908	(69,252,807)
Net loss is attributable to:			
Non-controlling interest share of net loss	13	369,981	(41,591,243)
Parent share of net loss		(400,230)	(27,854,067)
		(30,249)	(69,445,310)
Total comprehensive loss for the year is attributable:			
Non-controlling interest share of net loss	13	1,079,939	(41,391,670)
Parent share of net loss		(497,031)	(27,861,137)
		582,908	(69,252,807)
Loss per share - basic and diluted	23	(0.00)	(7.81)
Weighted average number of outstanding shares - basic and diluted		9,337,003	8,889,123

The accompanying notes are an integral part of the Consolidated Financial Statements.

PSYENCE GROUP INC.
Consolidated Annual Financial Statements
(Expressed in Canadian Dollars)

Consolidated Statements of Changes in Shareholders' Equity

For years ended March 31, 2025 and March 31, 2024

	Note	Number of shares	Share capital (\$)	Warrants reserve (\$)	Options reserve (\$)	Foreign currency translation reserve (\$)	Deficit (\$)	Non-controlling interest (\$)	Total shareholders' equity/(deficit) (\$)
Opening balance as at April 1, 2023		8,263,613	20,400,055	1,406,782	1,562,373	(68,138)	(21,966,856)	-	1,334,216
Share based compensation	11	-	-	-	566,284	-	-	-	566,284
Shares issued for cash, net of issuance costs	11	679,214	1,029,527	167,939	-	-	-	-	1,197,466
Exercise of RSUs	11	65,238	114,871	-	(114,871)	-	-	-	-
Shares issued on settlement of debt	11	265,683	117,599	-	-	-	-	-	117,599
Net assets transferred to NCI	13	-	-	-	-	-	-	54,203,657	54,203,657
Net assets acquired in RTO	13	-	-	-	-	-	564,030	(564,030)	-
Other comprehensive loss		-	-	-	-	192,503	-	-	(192,503)
Net loss		-	-	-	-	-	(27,854,067)	(41,591,243)	(69,445,310)
Balance, March 31, 2024		9,273,748	21,662,052	1,574,721	2,013,786	124,365	(49,256,893)	12,048,384	(11,833,585)
Opening balance as at April 1, 2024		9,273,748	21,662,052	1,574,721	2,013,786	124,365	(49,256,893)	12,048,384	(11,833,585)
Share based compensation	11	-	-	-	94,681	-	-	-	94,681
Exercise of RSU's	11	87,280	158,670	-	(158,670)	-	-	-	-
Expired warrants	11	-	-	(1,574,721)	-	-	1,574,721	-	-
Shares issued on settlement of debt	11	26,667	6,000	-	-	-	-	-	6,000
Noncontrolling interests adjustment for change in ownership	13	-	-	-	-	-	24,855,585	(2,632,413)	22,223,172
Warrants Reserve to PBM		-	-	-	-	-	-	(1,532,058)	(1,532,058)
Other comprehensive loss		-	-	-	-	613,157	-	-	613,157
Net (loss)/profit		-	-	-	-	-	(400,230)	369,981	(30,249)
Balance, March 31, 2025		9,387,695	21,826,722	-	1,949,797	737,522	(23,226,817)	8,253,894	9,541,118

The accompanying notes are an integral part of the Consolidated Financial Statements.

PSYENCE GROUP INC.
Consolidated Financial Statements
(Expressed in Canadian Dollars)

Consolidated Statements of Cash Flows

For years ended March 31, 2025 and March 31, 2024

	Note	March 31, 2025	March 31, 2024
Net loss		(30,249)	(69,445,310)
Non-cash adjustments:			
Depreciation and amortization	7,8	8,460	97,929
Foreign exchange		(24,241)	231,513
Share based compensation - options	11	94,681	566,283
Accretion expense		-	1,238
Impairment reversal		-	(8,101)
Loss/(gain) on settlement of debt	11	6,000	(598,249)
Loss on disposal of subsidiaries		540,970	-
Listing expense	12	-	55,943,552
Transaction expense	12	-	1,348,673
Change in ROU assets	7	-	(17,716)
Third party advisors share issuance in PBM		349,881	-
Fair value gain/(loss) on NCAC promissory note	14	(530,261)	81,901
Fair value (gain)/loss on convertible note liability	16	(4,671,367)	6,955,644
Fair value (gain)/loss on derivative warrant liabilities	17	(966,259)	413,031
Fair value loss on warrant exchange		257,474	-
Changes in working capital:			
Other receivables		36,491	8,020
Prepays		80,287	244,645
Accounts payable and accrued liabilities		(701,064)	(739,534)
Cash used in operating activities		(5,549,197)	(4,916,481)
Additions to property and equipment	7	(13,742)	(988,050)
Loan to joint venture		-	8,101
Increase in restricted cash	5	(1,579)	(10,123)
Cash used in investing activities		(15,321)	(990,072)
Repayment of lease liabilities			(3,013)
Proceeds from PBM's shares issuance, net of issuance costs	18	9,215,584	1,197,466
Proceeds from convertible note liability	16	1,437,600	3,387,500
Proceeds from PBM's PIPE financing	19	2,504,371	-
Sale of PBM shares		236,781	-
Proceeds from loan	15	-	970,533
Settlement of loan	15	-	(970,533)
Cash provided from financing activities		13,394,336	4,581,953
Change in cash and cash equivalents		7,829,818	(1,324,600)
Cash and cash equivalents, beginning of year		1,058,752	2,383,352
Cash and cash equivalents, end of year		8,888,570	1,058,752

The accompanying notes are an integral part of the Consolidated Financial Statements.

Notes to the Consolidated Financial Statements

1. Nature of operations and going concern

Psyence Group Inc. (the “**Company**” or “**PGI**”) is a life science biotechnology company focused on the research, cultivation and production of psychedelics and nature-based compounds to treat psychological trauma in the context of palliative care and in support of mental wellness. The safety and efficacy of psychedelics will be evaluated through rigorous clinical trials.

The Company's registered office is at 121 Richmond Street West, Penthouse Suite, 1300, Toronto, Ontario M5H 2K1. The Company commenced trading on the Canadian Securities Exchange (“**CSE**”) on January 27, 2021 under the symbol “**PSYG**”.

On April 23, 2025, the Company consolidated its common shares and warrants on the basis of 15:1.

All prior share capital information has been presented based on these ratios.

Business Combination Agreement and PBM NASDAQ listing

On January 9, 2023, the Company entered into a definitive business combination agreement, as amended (the “**Business Combination Agreement**” or “**BCA**”) with Newcourt Acquisition Corp. (NASDAQ: NCAC), a special purpose acquisition company (“**SPAC**”). The agreement aimed to create a public company leveraging natural psilocybin for palliative care treatment. The Company contributed its clinical trial activities to Psyence Biomedical Ltd. (“**PBM**”), the Company's subsidiary incorporated on June 29, 2023 under the laws of Ontario, Canada, as described below.

The transaction concluded on January 25, 2024, with PBM's listing on NASDAQ. This transaction involved PBM acquiring the SPAC through a merger, thereby making the SPAC a wholly-owned subsidiary of PBM.

Transaction Overview:

On January 25, 2024 (the “**Closing Date**”), PBM completed the previously announced business combination (the “**RTO Transaction**”) as per the BCA (Note 12). The parties involved in the BCA included:

- The Company
- Newcourt Acquisition Corp., a Cayman Islands exempted company (“**NCAC**”)
- Newcourt SPAC Sponsor LLC, a Delaware limited liability company (“**NCAC Sponsor**”).
- Psyence (Cayman) Merger Sub, a Cayman Islands exempted company and a wholly owned subsidiary of the Company.
- Psyence Biomed Corp., a corporation organized under the laws of British Columbia, Canada (“**Original Target**”).
- Psyence Biomed II Corp., a corporation organized under the laws of Ontario, Canada (“**Psyence Biomed II**”).
- Psyence Australia (Pty) Ltd (“**Psyence Australia**”).

*Key Transactions (collectively, the “**Business Combination**”):*

Formation of Subsidiaries: Prior to the Closing Date, the Company formed three wholly owned subsidiaries: Psyence Biomed II, Psyence Australia and PBM.

Amalgamation: Prior to the Closing Date, the Company amalgamated with the Original Target. Consequently, the Company transferred shares of Psyence Australia and related business assets previously owned by the Original Target to Psyence Biomed II.

Share Exchange: the Company contributed Psyence Biomed II to PBM in a share-for-share exchange (the “**Company Exchange**”).

Merger: Following the Company Exchange, Psyence (Cayman) Merger Sub merged with Newcourt Acquisition Corp., with Newcourt Acquisition Corp. being the surviving entity. Each outstanding ordinary share of Newcourt Acquisition Corp. was converted into the right to receive one common share of PBM.

PSYENCE GROUP INC.
Consolidated Financial Statements
Years ended March 31, 2025 and March 31, 2024
(Expressed in Canadian Dollars)

Warrant Conversion: Each outstanding warrant to purchase Newcourt Acquisition Corp. Class A ordinary shares was converted into warrants to acquire one common share of PBM on substantially the same terms as the original warrants.

Going concern

These consolidated financial statements have been prepared on a going concern basis which assumes that the Company will, in the foreseeable future, realize on its assets and discharge its liabilities in the normal course of business as they come due. Accordingly, the consolidated financial statements do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern and, therefore be required to realize its assets and liquidate its liabilities and commitments in other than the normal course of business and at amounts different from those in these consolidated financial statements.

As of March 31, 2025, the Company has an accumulated deficit of \$23,226,817 (March 31, 2024- \$49,256,893). In addition, the Company generated negative cash flow from operating activities of \$5,549,197 (2023- \$4,916,481). Management has considered the significance of such condition in relation to the Company's ability to meet its current obligations and to achieve its business targets and determined that these conditions are indicators of material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern.

The Company's ability to continue as a going concern is dependent upon its ability to generate future profitable operations and/or to obtain the necessary financing to conduct its planned business, meet its on-going levels of corporate overhead and discharge its liabilities as they come due. The Company has historically raised funds from the issuance of shares and convertible debentures. The Company's ability to obtain additional financing is materially uncertain, as there is no assurance that additional funding will be available on a timely basis or on terms acceptable to the Company.

2. Basis of presentation

Statement of compliance

These consolidated financial statements of the Company have been prepared in accordance with IFRS® Accounting Standards as issued by the International Accounting Standard Board ("IFRS") on a going concern basis.

The consolidated financial statements were authorized for issuance on July 28, 2025 by the directors of the Company.

Basis of measurement

These Consolidated Financial Statements have been prepared on a historical cost basis, except for certain financial instruments, which are classified as fair value through profit or loss ("FVTPL").

Functional and presentation currency

These consolidated financial statements are presented in Canadian Dollars ("**CAD \$**"), which is also PGI's functional currency. The functional currency of PGI's subsidiaries: Psyence Therapeutics Corp ("**PTC**") is Canadian Dollars; Psyence Australia (Pty) Ltd, is the Australian Dollar ("**AUD \$**"); Psyence Biomedical Ltd, Psyence Biomed II Corp. and Newcourt Acquisition Corp., is the United States Dollar ("**USD \$**").

Basis of consolidation

These consolidated financial statements incorporate the accounts of the Company and its subsidiaries. A subsidiary is an entity controlled by the Company and its results are consolidated into the financial results of the Company from the effective date of control up to the effective date of loss of control.

Control exists when an investor is exposed, or has rights, to variable returns from the involvement with the investee and has liability to affect those returns through its power over the investee. Where the Company's interest is less than 100%, the Company recognizes non-controlling interests ("**NCI**").

PSYENCE GROUP INC.
Consolidated Financial Statements
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The entities included in PGI consolidated financial statements as of March 31, 2025 are as follows:

Name of entity	Place of incorporation	% Ownership	Accounting method
Psyence Therapeutics Corp.	Ontario	100%	Consolidation
Psyence Jamaica	Jamaica	100%	Deregistered December 2023
Psyence Biomedical Ltd.	Ontario	15%	Consolidation
Psyence Australia (Pty) Ltd.	Australia	15%	Consolidation
Psyence Biomed II Corp.	Ontario	15%	Consolidation
Newcourt Acquisition Corp.	Cayman Islands	15%	Consolidation

On April 1, 2024, the Company disposed fully of its interests in Mind Health (Pty) Ltd, Psyence South Africa (Pty) Ltd, Psyence UK Group Ltd, and its 50% shareholding in Good Psyence (Pty) Ltd in exchange for 1,000 shares in Psyence Labs Ltd., Note 9.

3. Material accounting policies

Financial instruments

Financial assets and financial liabilities, including derivatives, are recognized on the consolidated statements of financial position when the Company becomes a party to the financial instrument or derivative contract.

Summary of the Company's classification and measurements of financial assets and liabilities:

Financial Assets and Liabilities	Classification	Measurement
Cash and cash equivalents	Amortized cost	Amortized cost
Restricted cash	Amortized cost	Amortized cost
Other receivables (excluding sales tax receivable)	Amortized cost	Amortized cost
Accounts payable and accrued liabilities	Amortized cost	Amortized cost
Investment Psyence Labs Ltd.	FVTPL	Fair value
Derivative warrant liability	FVTPL	Fair value
Convertible note liability	FVTPL	Fair value
NCAC promissory note	FVTPL	Fair value

Classification

The Company classifies its financial assets in the following measurement categories: i) those to be measured subsequently at fair value through profit or loss ("FVTPL"); ii) those to be measured subsequently at fair value through other comprehensive income ("FVOCI"); and iii) those to be measured at amortized cost. The classification of financial assets depends on the business model for managing the financial assets and the contractual terms of the cash flows. Financial liabilities are classified as those to be measured at amortized cost unless they are designated as those to be measured subsequently at FVTPL (irrevocable election at the time of recognition). For assets and liabilities measured at fair value, gains and losses are either recorded in net loss or other comprehensive income (loss).

The Company reclassifies financial assets only when its business model for managing those assets changes. Financial liabilities are not reclassified.

Amortized cost

This category includes financial assets that are held within a business model with the objective to hold the financial assets to collect contractual cash flows that meet the sole payments of principal and

interest ("SPPI") criterion. Financial assets classified in this category are measured at amortized cost using the effective interest method.

Fair value through profit or loss

This category includes derivative instruments as well as equity instruments which the Company has irrevocably elected, at initial recognition or transition, to classify at FVTPL. This category would also include debt instruments of which the cash flow characteristics fail the solely payments of principal and interest ("SPPI") criterion or are not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell. Financial assets in this category are recorded at fair value with changes recognized in net loss. The Company records its financial liabilities including derivatives, convertible loans and promissory notes at FVTPL. Derivatives are mandatorily recorded at FVTPL, whereas the Company has elected to record convertible loans and promissory notes at FVTPL.

Financial assets at fair value through other comprehensive income

Equity instruments that are not held-for-trading can be irrevocably designated to have their change in fair value recognized through other comprehensive income (loss) instead of through net loss. This election can be made on individual instruments and is not required to be made for the entire class of instruments. Attributable transaction costs are included in the carrying value of the instruments.

Financial assets at fair value through other comprehensive income/(loss) are initially measured at fair value and changes therein are recognized in other comprehensive income/(loss).

Compound financial instrument and derivative liability

The Company determined that the warrants, including public warrants and the private warrants are derivative instruments and should be classified as a financial liability and are measured at FVTPL. Derivative and financial liabilities designated at FVTPL are carried subsequently at fair value with gains or losses recognized in net loss.

Each embedded derivative is measured and presented separately unless the whole hybrid financial instrument is designated as at FVTPL.

Measurement

All financial instruments are required to be measured at fair value on initial recognition, plus, in the case of a financial asset or financial liability not at FVTPL, transaction costs that are directly attributable to the acquisition or issuance of the financial asset or financial liability. Transaction costs of financial assets and financial liabilities carried at FVTPL are expensed in net loss. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payments of principal and interest.

Financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortized cost at the end of the subsequent accounting periods. All other financial assets including equity investments are measured at their fair values at the end of subsequent accounting periods, with any changes taken through net loss or other comprehensive income/(loss) (irrevocable election at the time of recognition). For financial liabilities measured subsequently at FVTPL, changes in fair value are recorded in profit and loss, except where changes in fair value are attributable to changes in own credit risk which is recorded in other comprehensive income.

The Company recognizes a loss allowance for the expected credit losses associated with its financial assets, other than financial assets measured at fair value through profit or loss. Expected credit losses are measured to reflect a probability-weighted amount, the time value of money, and reasonable and supportable information regarding past events, current conditions and forecasts of future economic conditions.

PSYENCE GROUP INC.
Consolidated Financial Statements
Years ended March 31, 2025 and March 31, 2024
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The Company applies the simplified approach for other receivables. Using the simplified approach, the Company records a loss allowance equal to the expected credit losses resulting from all possible default events over the assets' contractual lifetime.

The Company assesses whether there has been a significant increase in credit risk since initial recognition or a financial asset is credit-impaired at the reporting date. Regular indicators that a financial instrument is credit impaired include significant financial difficulties as evidenced through borrowing patterns or observed balances in other accounts and breaches of borrowing contracts such as default events or breaches of borrowing covenants.

For financial assets with a significant increase in credit risk since initial recognition and financial assets assessed as credit impaired at the reporting date, the Company continues to recognize a loss allowance equal to lifetime expected credit losses. For financial assets measured at amortized cost, loss allowances for expected credit losses are presented in the statement of financial position as a deduction from the gross carrying amount of the financial asset.

Financial assets are written off when the Company has no reasonable expectations of recovering all or any portion thereof.

The Company reverses impairment losses on financial assets carried at amortized cost when the decrease in impairment can be objectively related to an event occurring after the impairment loss was initially recognized.

Foreign currency translation

The consolidated financial statements are presented in CAD \$ which is PGI's functional currency. The functional currencies of the operating subsidiaries of the Company are the USD, the AUD \$, and CAD \$.

In each individual entity, a foreign currency transaction is initially recorded in the functional currency of the entity, by applying the exchange rate between the functional currency and the foreign currency at the date of the transaction.

At the end of the reporting period, monetary assets and liabilities of the Company which are denominated in foreign currencies are translated at the period-end exchange rate. Non-monetary assets and liabilities are translated at rates in effect at the date the assets were acquired, and liabilities incurred.

The resulting exchange gains or losses arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition, are included in profit or loss in the period in which they arise.

For the purpose of presenting these consolidated financial statements, the assets and liabilities of the subsidiary are translated into CAD \$ at the exchange rates prevailing at the end of the reporting period. Income and expenses are translated at the average rates for the period. Reserves and inter-company balances are translated at their historical exchange rate. Exchange differences arising are recognized in foreign currency translation reserve.

Income taxes

Income tax expense consists of current and deferred tax expense. Current and deferred tax are recognized in profit or loss except to the extent that it relates to items recognized directly in equity or other comprehensive income. Current tax is recognized and measured at the amount expected to be recovered from or payable to the taxation authorities based on the income tax rates enacted or substantively enacted at the end of the reporting period and includes any adjustment to taxes payable in respect of previous years. Deferred tax is recognized on any temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable earnings. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized and the liability is settled. The effect of a change in the enacted or substantively enacted tax rates is recognized in net loss and comprehensive loss or in shareholders' equity depending on the item to which the adjustment relates. Deferred tax assets are recognized to the extent future recovery is probable. At each reporting period end, deferred tax assets are reduced to the extent that it is no longer probable that sufficient taxable earnings will be available to allow all or part of the asset to be recovered.

Share capital

Financial instruments issued by PGI are classified as shareholders' equity only to the extent that they do not meet the definition of a financial asset or financial liability. PGI's common shares, warrants, restricted stock units and share options are classified as equity instruments.

Incremental costs directly attributable to the issuance of new shares are recognized as a deduction from shareholders' equity.

Share-based payments

The Company operates equity settled share-based remuneration plans for its eligible directors, officers, employees and consultants. All goods and services received in exchange for the grant of any share-based payments are measured at their fair value unless the fair value cannot be estimated reliably. If the Company cannot estimate reliably the fair value of the goods and services received, the Company shall measure their value indirectly by reference to the fair value of the equity instruments granted. For transactions with employees and others providing similar services, the Company measures the fair value of the services by reference to the fair value of the equity instruments granted. Equity settled share-based payments under share-based payment plans are ultimately recognized as an expense in profit or loss with a corresponding credit to contributed surplus, in equity. If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest. Non-market vesting conditions are included in the assumptions about the number of options that are expected to become exercisable. Estimates are subsequently revised if there is any indication that the number of share options expected to vest differs from the previous estimate. Any cumulative adjustment prior to vesting is recognized in the current period. No adjustment is made to any expense recognized in prior period if share options ultimately exercised are different to that estimated on vesting. Market conditions are considered in the estimate of the fair value of share-based compensation on a grant date.

Property and equipment

Property and equipment are recognized as an asset when:

- it is probable that an associated future economic benefit will flow to the Company; and
- the cost can be measured reliably.

Property and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes costs incurred initially to acquire or construct a capital asset and costs incurred subsequently to add to, replace part of or service it. If a replacement cost is recognized in the carrying amount of a capital asset, the carrying amount of the replaced part is derecognized.

Property and equipment are depreciated on a straight-line basis over their expected useful lives to their estimated residual value. Their useful lives have been assessed as follows:

Asset	Method	Rate
Computer equipment	Straight-line	3 years
Right-of-use assets	Straight-line	20 years
Buildings	Straight-line	10 years
Equipment	Straight-line	3 years
Furniture & fixtures	Straight-line	3 years
Bulk infrastructure	Straight-line	10 years

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate.

The gains or losses arising from the derecognition of a capital asset is included in the consolidated statement of net loss and comprehensive loss when the item is derecognized. The gain or loss arising from the derecognition of a capital asset is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

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Intangible assets

Intangible assets are recognized when:

- it is probable that an associated future economic benefit will flow to the Company; and
- the cost can be measured reliably.

Intangible assets are initially recorded at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and/or impairment losses.

Intangible assets with finite useful lives are amortized on a straight-line basis over their estimated useful lives using the following rates:

Asset	Method	Rate
Website	Straight-line	5 years

The amortization period and the amortization method for intangible assets are reviewed every period end. During the years ended March 31, 2025 and March 31, 2024, the Company did not recognize any impairment losses.

Cash and cash equivalents

Cash and cash equivalents include cash on hand and, when applicable, short-term, highly liquid deposits which are either cashable or with original maturities of less than three months at the date of their acquisition.

Restricted cash

Restricted cash comprises a collateral agreement with a major chartered bank in Canada with regards to a credit card facility against which the Company deposited in a guaranteed investment certificate with the bank.

Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control. Related parties may be individuals or entities. A transaction is considered to be a related party transaction when there is transfer of resources or obligations between related parties.

Impairment of non-financial assets

The carrying amount of the Company's non-financial assets (which include property and equipment and intangible assets) are reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognized in the consolidated statements of net loss and comprehensive loss.

The recoverable amount of assets is the greater of an asset's fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is only reversed to profit or loss if there is an indication that the impairment loss no longer exists and there has been a change in the estimates used to determine the recoverable amount. Any reversal of impairment cannot increase the carrying value of the asset to an amount higher than the carrying amount that would have been determined had no impairment loss been recognized in previous years.

Provisions

Provisions are recognized when the Company has a present obligation, legal or constructive as a result of a previous event, if it is probable that the Company will be required to settle the obligation and a reliable estimate can be made of the obligation. The amount recognized is the best estimate of the expenditure required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligations. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate of the expected future cash flows.

Joint Arrangements

A joint arrangement represents an arrangement where two or more parties hold joint control. Joint control is deemed to exist under contractual agreement where decisions regarding relevant activities of the arrangement require the unanimous consent of those parties sharing control. A joint venture is a joint arrangement and represents a company or other entity in which each venturer has an interest, holds joint control and holds rights to the net assets of the entity. Interests in joint ventures are accounted for using the equity method of accounting. The Company does not recognize losses exceeding the carrying value of its interest in joint ventures

Research and development

Expenditures on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, are recognized in the statements of net loss and comprehensive loss as incurred.

Development expenditures are capitalized only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to complete development and has sufficient resources to complete development and to use or sell the asset. Other development expenditures are expensed as incurred. Research and development expenses include all direct and indirect operating expenses supporting the products in development. The costs incurred in establishing and maintaining patents are expensed as incurred.

Loss per share

Basic loss per share is computed by dividing net loss attributable to common shareholders by the weighted average number of shares outstanding in the period. Diluted loss per share is calculated by the treasury stock method. Under the treasury stock method, the weighted average number of common shares outstanding for the calculation of diluted loss per share assumes that the proceeds to be received on the exercise of dilutive share options and warrants are used to purchase common shares at the average market price during the period. The impact of convertible securities issued during the year ended March 31, 2025 and March 31, 2024 are anti-dilutive.

Non- controlling interest

The Company recognizes non-controlling interests in an acquired entity either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets, determined on an acquisition-by- acquisition basis. In subsequent periods, the portion of the Company's net profit (loss) is allocated to non-controlling interest based on the ownership percentage of the non-controlling interest in the Company's subsidiaries. Changes in the Company's ownership interest after control is obtained, that do not result in a change in control of the subsidiary, are accounted for as equity transactions.

If the Company maintains control, it will recognize no gain or loss in the income statement on selling a subsidiary's shares. Similarly, the Company will not record any additional goodwill to reflect its subsequent purchases of additional shares in a subsidiary if there is no change in control. Instead, the carrying amount of the non-controlling interest will be adjusted to reflect the change in the ownership interest in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognized in equity and attributed to the Company's equity holders.

Accounting Standards Effective January 1, 2024 and issued but not yet effective

IFRS 18 Presentation and Disclosure in Financial Statements

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In April 2024, the IASB issued *IFRS 18 – Presentation and Disclosure in Financial Statements* which will replace *IAS 1, Presentation of Financial Statements*. The key new concepts introduced in IFRS 18 relate to the structure of the statement of earnings (loss), required disclosures in the financial statements for certain earnings or loss performance measures that are reported outside an entity's financial statements and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general. IFRS 18 will apply for reporting periods beginning on or after January 1, 2027, and also applies to comparative information. The Company is still in the process of assessing the impact of this standard on its consolidated financial statements.

Classification of liabilities as current or non-current (amendments to IAS 1, presentation of financial statements)

On January 23, 2020, an amendment was issued to IAS 1 to address inconsistencies with how entities apply the standards over classification of current and non-current liabilities. The amendment serves to address whether, in the statement of financial position, debt and other liabilities with an uncertain settlement should be classified as current or non-current. This amendment is effective on January 1, 2024. The Company adopted the amendment on the effective date and the adoption did not have a material impact on the Company's consolidated financial statements.

Non-current liabilities with covenants (amendments to IAS 1)

The amendments to IAS 1 specify that only covenants with which an entity is required to comply on or before the reporting date affect the classification of a liability as current or non-current. In addition, an entity has to disclose information in the notes that enables users of financial statements to understand the risk that noncurrent liabilities with covenants could become repayable within twelve months. The amendments are effective for annual reporting periods beginning on or after January 1, 2024, and are to be applied retrospectively. The Company adopted the amendment on the effective date and the adoption did not have a material impact on the Company's consolidated financial statements.

4. Critical accounting estimates and judgements

The preparation of consolidated financial statements in conformity with IFRS requires management to make certain estimates, judgments and assumptions concerning the future. Actual results may differ from these estimates. The Company's management reviews these estimates, judgments, and assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted prospectively in the period in which the estimates are revised. The following are considered to be critical accounting estimates and judgements by management for the years ended March 31, 2025 and March 31, 2024 as these require a high level of subjectivity and judgement and could have a material impact on the Company's consolidated financial statements.

Going concern

These Consolidated financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations.

Management routinely plans future activities including forecasting future cash flows and forming judgements collectively with directors of the Company.

Judgement is required in determining if the Company's has sufficient cash reserves, together with all other available information, to continue as a going concern for a period of at least twelve months.

As at March 31, 2025 the Company has concluded that a material uncertainty exists that casts significant doubt about the Company's ability to continue as a going concern.

Reverse takeover transaction

The determination of fair values of consideration paid and net assets acquired is subject to significant estimation. The Company treated the RTO Transaction as a capital transaction equivalent to the issue

of shares of PBM in exchange for the net monetary assets of NCAC. PBM determined that the original shareholders of the Company became the single largest shareholder of PBM after the RTO Transaction, therefore PBM was the accounting acquiror and NCAC was the accounting acquiree.

The Company has determined the RTO Transaction did not constitute a business combination as defined under IFRS 3, Business Combinations, as NCAC was a non-operating entity that did not meet the definition of a business under IFRS 3. The excess of the consideration paid over the net liability acquired together with any transaction costs incurred for the Transaction was expensed as a listing expense in accordance with IFRS 2 Share-Based Payments. The fair value of the consideration paid was estimated by the closing trading price (\$2,863.22/share) of the NCAC's common shares listed on the NASDAQ on January 25, 2024.

Control

The Company holds a 15% equity interest in PBM, which has been included in the consolidated financial statements. Despite holding less than a majority share, the Company has concluded that it exercises control over PBM and, therefore, consolidates its financial results. This determination is based on the following key considerations.

The Company has the power to direct the relevant activities of PBM. This power is derived from various sources including, but not limited to, representation on the board of directors, and involvement in key decision-making processes. The Company is exposed to variable returns from its involvement with PBM. These returns may be in the form of dividends, potential capital appreciation, and other financial benefits resulting from its equity interest. The Company has the ability to use its power over PBM to affect the amount of the investor's returns. This ability is evidenced by the Group's active participation in the strategic and operational decision-making processes of PBM.

The assessment of whether the Company controls PBM involves significant judgement and the use of estimates. Key factors considered in this assessment include:

Shareholder voting power: The Company is the single largest shareholder, and other shareholders are unlikely to be able to form a larger voting bloc to override the Company's decisions.

Given the complexity and the subjectivity involved in these judgements, any changes in these estimates and assumptions could significantly impact the consolidated financial statements. Management reviews these estimates and assumptions periodically and adjusts them as necessary based on changes in facts and circumstances.

Convertible instruments

The valuation of convertible debt instruments is subject to significant management estimation. Convertible notes are compound financial instruments which have been designated as a FVTPL classification.

The identification of convertible debenture components is based on interpretations of the substance of the contractual arrangement and therefore requires judgment from management. The separation of the components affects the initial recognition of the convertible debenture at issuance and the subsequent remeasurement. As the Company has designated the entire convertible financial instrument as FVTPL given the embedded derivative liability that was contained by the convertible financial instrument, the debentures have not been separated into debt and derivative components. The fair values attributed to the different components of a financing transaction, and/or derivative financial instruments, are determined using valuation techniques. The Company uses judgement to select the methods used to make certain assumptions and in performing the fair value calculations in order to determine (a) the values attributed to each component of a transaction at the time of their issuance; (b) the fair value measurements for certain instruments that require subsequent measurement at fair value on a recurring basis; and (c) for disclosing the fair value of financial instruments subsequently carried at amortized cost. These valuation estimates could be significantly different because of the use of judgement and the inherent uncertainty in estimating the fair value of these instruments that are not quoted in an active market.

Contingencies

From time to time, the Company is named as a party to claims or involved in proceedings, including legal, regulatory and tax related, in the ordinary course of its business. While the outcome of these matters may not be estimable at the reporting date, the Company makes provisions, where possible, for the estimated outcome of such claims or proceedings. Should a loss result from the resolution of any claims or proceedings that differs from these estimates, the difference will be accounted for as a charge to profit or loss in that period. The actual results may vary and may cause significant adjustments.

The rebate over the tax claim is subject to inherent uncertainty and could be subject to being denied and clawed back by the Australian Tax office at a future date. The Company expects that a claw back of the rebate is highly unlikely.

Share-based compensation

The Company measures equity settled share-based payments based on their fair value at the grant date and recognize compensation expense over the vesting period based on management's estimate of equity instruments that will eventually vest. The determination of the fair value of stock options using the Black-Scholes option pricing model requires the input of highly subjective assumptions, including the expected price volatility. Changes in the subjective input assumptions could materially affect the fair value estimate. Expected forfeitures are estimated at the date of grant and subsequently adjusted if further information indicates actual forfeitures may vary from the original estimate. The impact of the revision of the original estimate is recognized in profit or loss such that the cumulative expense reflects the revised estimate.

For share-based payments granted to non-employees, the compensation expense is measured at the fair value of the goods and services received except where the fair value cannot be estimated in which case it is measured at the fair value of the equity instruments granted. The fair value of share-based compensation to non-employees is periodically re-measured until counterparty performance is complete, and any change therein is recognized over the period and in the same manner as if cash was paid instead of paying with or using equity instruments.

Income taxes

Provisions for taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxing authorities. Where the outcome of these tax-related matters is different from the amounts that were initially recorded, such differences will affect the tax provisions in the period in which such determination is made.

Deferred tax assets

Deferred tax assets, including those arising from un-utilized tax losses, require management to assess the likelihood that the Company will generate sufficient taxable earnings in future periods in order to utilize recognized deferred tax assets. Assumptions about the generation of future taxable profits depend on management's estimates of future cash flows. In addition, future changes in tax laws could limit the ability of the Company to obtain tax deductions in future periods. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realize the net deferred tax assets recorded at the reporting date could be impacted.

Government grants

Government grants are recognized when there is reasonable assurance that the Company will comply with the conditions attached to them and the government grants will be received. Grants are recognized as income when they are received. The Company has recognized the government grant received during the period as research and development grants as other income in the consolidated statements of loss and comprehensive loss.

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5. Cash, restricted cash and cash equivalents

Cash and cash equivalents include the following amounts:

- An amount of \$8,888,570 unrestricted cash held with chartered banks and;
- an amount of \$51,702 in a guaranteed investment certificate with a bank as collateral for a credit card facility agreement with a leading chartered bank in Canada. Amounts are held in restricted cash on the consolidated statement of financial position.

6. Other receivables

Other receivables include the following amounts.

	March 31, 2025 \$	March 31, 2024 \$
Other receivables	53,286	14,112
Sales tax receivable	147,447	223,111
Total	200,733	237,223

The Company estimated the expected credit loss on other receivables to be nominal during the year ended March 31, 2025 and March 31, 2024.

7. Property and equipment

\$	Computer equipment	Buildings	Right-of-use asset	Production equipment	Furniture & fixtures	Bulk infrastructure	Total
<u>Cost</u>							
Opening Balance	9,273	603,081	52,728	38,316	20,578	57,124	781,100
Additions	9,692	952,318	-	25,449	591	-	988,050
Disposals	-	-	(15,672)	-	(238)	-	(15,910)
Foreign Exchange	(558)	(45,250)	(3,167)	(2,595)	(1,287)	(3,567)	(56,424)
At March 31, 2024	18,407	1,510,149	33,889	61,170	19,644	53,557	1,696,816
Additions	13,742	-	-	-	-	-	13,742
Disposals	(10,977)	(1,556,995)	(34,941)	(63,068)	(20,253)	(55,218)	(1,741,452)
Foreign exchange	1,261	46,846	1,052	1,898	609	1,661	53,327
At March 31, 2025	22,433	-	-	-	-	-	22,433
<u>Accumulated Depreciation</u>							
Opening Balance	6,383	87,151	7,863	14,960	14,817	23,877	155,051
Charge for the year	2,871	65,075	2,482	11,531	5,263	8,186	95,408
Disposals	-	-	(9,727)	-	(238)	-	(9,965)
Foreign exchange	(418)	(5 960)	(433)	(1 025)	(965)	(1 557)	(10 358)
At March 31, 2024	8,836	146,266	185	25,466	18,877	30,506	230,136
Charge for the year	5,939	-	-	-	-	-	5,939
Disposals	(8,776)	(150,803)	(191)	(26,255)	(19,463)	(31,453)	(236,941)
Foreign exchange	483	4,537	6	789	586	947	7,348
At March 31, 2025	6,482	-	-	-	-	-	6,482
<u>Carrying Value</u>							
At March 31, 2024	9,571	1,363,883	33,704	35,704	767	23,051	1,466,680
At March 31, 2025	15,951	-	-	-	-	-	15,951

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8. Intangible assets

The Company acquired a domain name and have commissioned additional improvements, which is recognized under intangible assets at cost and it is carried at the amortized value.

Intangible Assets	\$
<u>Cost:</u>	
Opening Balance	25,212
Additions	-
At March 31, 2024	25,212
Additions	-
At March 31, 2025	25,212
<u>Accumulated Amortization:</u>	
Opening Balance	(5,270)
Charge for the year	(2,520)
At March 31, 2024	(7,790)
Charge for the year	(2,521)
At March 31, 2025	(10,311)
<u>Carrying amount:</u>	
At March 31, 2024	17,422
At March 31, 2025	14,901

9. Investment in Psyence Labs Ltd.

On April 1, 2024, the Company sold its investment in Mind Health (Pty) Ltd, Psyence South Africa (Pty) Ltd, Psyence UK Group Ltd, and its 50% shareholding in Good Psyence (Pty) Ltd. in exchange for 1,000 shares in Psyence Labs Ltd. ("PsyLabs"). PsyLabs is a private company headquartered in the British Virgin Islands, and focused on the production of psychedelic active pharmaceutical ingredients and extracts.

As at April 1, 2024, the Company determined the fair value of its investment in PsyLabs to be \$1,011,259 (US\$745,000), based on a recent arm's length subscription transaction by a third-party investor at US\$745 per PsyLabs share.

The sale of subsidiaries for 1,000 PsyLabs shares resulted in a loss of \$540,970 which was recorded in the consolidated statements of loss and comprehensive loss.

On October 28, 2024, the Company transferred its ownership in 1,000 PsyLabs shares to PBM in exchange for 35,594 PBM shares.

The fair value of the investment in PsyLabs shares as at March 31, 2025, was estimated at \$1,071,012 (US\$745,000), based on a recent arm's length subscription transaction by a third-party investor at US\$745 per PsyLabs share.

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10. Accounts payable and accrued liabilities

Accounts payable and accrued liabilities include the following amounts:

	March 31, 2025	March 31, 2024
	\$	\$
Trade payables	399,066	926,122
Accrued liabilities	71,083	296,498
Provisions	305,926	254,518
Total	776,075	1,477,138

For the year ended March 31, 2025, the Company recognized total provisions amounting to \$305,926. These provisions reflect the Company's obligation to settle these amounts in the future. The provisions are based on the best estimate of the expenditures required to settle the present obligations at the reporting date.

11. Share capital

Authorized share capital

Unlimited number of voting common shares without par value.

Issued and outstanding

On April 23, 2025, the Company consolidated its common shares and warrants on the basis of 15:1.

As at March 31, 2025, there were 9,387,695 (March 31, 2024 – 9,273,748) issued and outstanding Common Shares.

Common shares	2025		2024	
	Number	Amount (\$)	Number	Amount (\$)
Opening balance April 1	9,273,748	21,662,052	8,263,613	20,400,055
Issuance of shares in private placement	-	-	679,214	1,054,647
Issuance of shares for RSUs exercise	87,280	158,670	65,238	114,871
Issuance of shares for debt settlement	26,667	6,000	265,683	120,018
Share issuance costs	-	-	-	(27,539)
Balance as at March 31,	9,387,695	21,826,722	9,273,748	21,662,052

Common shares

Private placements

On May 25, 2023 the Company issued 518,398 units with a subscription price of \$1.80 in a private placement. The Company received proceeds of \$933,116. Each unit comprises one (1) common share and one-half (0.5) of a common share purchase warrant, with each whole warrant exercisable into an additional common share of the Company at a price of \$2.25 per common share for a period of 18 months from the date of grant.

The fair value of the shares was determined by allocating the gross proceeds to common shares and share purchase warrants using the relative fair market value method of each at the time of the issuance. The relative fair value of the shares was determined using the share price on the date of issuance and the relative fair value of the warrants was determined in accordance with the Black-Scholes valuation model. The fair value of the shares was determined to be \$765,177. The fair value of the warrants was determined to be \$167,939.

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On August 21, 2023 the Company issued 70,429 shares with a subscription price of \$1.80 in a private placement. The Company received proceeds of \$126,773.

On October 30, 2023 the Company issued 90,387 shares with a subscription price of \$1.80 in a private placement. The Company received proceeds of \$162,697.

In relation to the private placements aforementioned, the Company incurred share issuance costs of \$27,539. The share issuance costs were comprised of \$25,416 of cash settled issuance costs and \$2,123 in equity settled issuance costs.

RSU exercise

On August 21, 2023 the Company issued 32,238 shares for the exercise of RSU's by various consultants and an employee of the Company. Upon exercise, amounts totalling \$65,371 was transferred from contributed surplus to share capital, determined by reference to the original fair value of the RSU's determined on the date of grant.

On October 30, 2023 the Company issued 33,000 shares for the exercise of RSU's by various consultants and an employee of the Company. Upon exercise, amounts totalling \$49,500 was transferred from contributed surplus to share capital, determined by reference to the original fair value of the RSU's determined on the date of grant.

On May 1, 2024 the Company issued 61,667 shares for the exercise of RSU's by various consultants and an employee of the Company. Upon exercise, amounts totalling \$120,250 was transferred from contributed surplus to share capital, determined by reference to the original fair value of the RSU's determined on the date of grant.

On January 10, 2025 the Company issued 25,613 shares for the exercise of RSU's by various consultants and an employee of the Company. Upon exercise, amounts totalling \$38,420 was transferred from contributed surplus to share capital, determined by reference to the original fair value of the RSU's determined on the date of grant.

Debt settlement

On August 21, 2023 the Company issued 1,179 shares in settlement of debt to the value of \$2,123.

On October 30, 2023 the Company issued 153,301 shares in settlement of debt in lieu of an asset purchase to the value of \$275,942. The shares issued were determined to have a fair value equal to \$34,493 by reference to the trading price of the Company's shares on the date of settlement, resulting in a gain on settlement of debt totalling \$241,449 recognized in the consolidated statements of loss and comprehensive loss for the year ended March 31, 2024.

On March 11, 2024 the Company issued 111,203 shares debt in lieu of consulting fees to the value of \$60,550. The shares issued were determined to have a fair value equal to \$83,402 by reference to the trading price of the Company's shares on the date of settlement, resulting in a loss on settlement of debt totalling \$22,852 recognized in the consolidated statements of loss and comprehensive loss for the year ended March 31, 2024.

On March 14, 2025 the Company issued 26,667 shares debt in lieu of consulting fees to the value of \$70,000. The shares issued were determined to have a fair value equal to \$76,000 by reference to the trading price of the Company's shares on the date of settlement, resulting in a loss on settlement of debt totalling \$6,000 recognized in the consolidated statements of loss and comprehensive loss for the year ended March 31, 2025.

Stock Options

The changes in stock options outstanding during the years ended March 31, 2025 and March 31, 2024 are as follows:

Year ended March 31, 2025	
Number of options	Weighted average exercise price (\$)
Outstanding, at beginning of year	403,396 1.35
Options outstanding, ending	403,936 1.35
Options exercisable, ending	403,936 1.35

Year ended March 31, 2024	
Number of options	Weighted average exercise price (\$)
Outstanding, at beginning of year	637,055 4.50
Granted (vi)(vii)(viii)	416,936 0.90
Cancelled / forfeited (ix)	(650,055) 1.95
Options outstanding, ending	403,936 1.35
Options exercisable, ending	394,677 1.35

- (i) On May 25, 2023, the Company granted 10,000 options to a director of the Company with each option exercisable into one common share of the Company at a price of \$2.10 per share until March 31 2028. Options are to vest 50% at the date of grant and 50% 6 months from the date of grant. The fair value of the options was determined to be \$14,504 on the date of grant using the Black-Scholes option pricing model.
- (ii) On November 14, 2023, the Company granted 259,158 options to consultants and employees of the Company with each option exercisable into one common share of the Company at a price of \$0.9 per share until December 31, 2025. Options are to vest at the grant date. The fair value of the options was determined to be \$99,653 on the date of grant using the Black-Scholes option pricing model.
- (iii) On November 14, 2023, the Company granted 120,000 options to an employee of the Company with each option exercisable into one common share of the Company at a price of \$0.9 per share until December 31, 2025. Options are to vest 67% at the date of grant and 33% on July 1, 2024. The fair value of the options was determined to be \$50,948 on the date of grant using the Black-Scholes option pricing model.
- (iv) On November 14, 2023, the Company granted 27,778 options to a consultant of the Company with each option exercisable into one common share of the Company at a price of \$0.9 per share until December 31, 2027. Options are to vest one third at the date of grant, one third on February 1, 2024 and one third on February 1, 2025. The fair value of the options was determined to be \$13,578 on the date of grant using the Black-Scholes option pricing model.
- (v) During the year ended March 31, 2024, a total of 270,897 options were forfeited due to the termination of services from consultants of the Company and a total of 379,158 options were cancelled by mutual consent with consultants of the Company. In connection with the options forfeited and cancelled, previous share-based payment expenses totaling \$1,336 were reversed and accelerated under professional fees and consulting fees and general and administrative expenses in the condensed consolidated interim statements of net loss and comprehensive loss.

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The following stock options are outstanding at March 31, 2025:

Expiry date	Number of options outstanding	Exercise price \$	Weight average remaining life (years)	Number of options exercisable
December 31, 2025	13,333	4.50	0.75	13,333
December 31, 2025	259,158	0.90	0.75	259,158
December 31, 2027	27,778	0.90	1.75	27,778
March 31, 2028	93,667	2.10	3.00	93,667
May 25, 2028	10,000	2.10	3.15	10,000
	403,936		1.70	403,936

The fair value of the options was determined at the grant date based on the Black-Scholes pricing model, using the following assumptions:

	Options granted on November 14, 2023	Options granted on November 14, 2023	Options granted on March 31, 2023	Options granted on May 25, 2023
Numbers issued	272,491	27,778	93,667	10,000
Share price	0.75	0.75	1.95	1.95
Expected dividend yield	Nil	Nil	Nil	Nil
Exercise price	0.90	0.90	2.10	2.10
Risk-free interest rate	4.39%	3.76%	2.92%	3.52%
Expected life	2.13	4.13	5.00	5.00
Expected volatility	100%	100%	100%	100%
Expiry date	December 31, 2025	December 31, 2027	March 31, 2028	May 25, 2028

During the year ended March 31, 2025, \$3,111 (March 31, 2024 - \$340,703) was expensed and recorded as share-based payments under professional fees and consulting fees and general and administrative in the consolidated statements of net loss and comprehensive loss based on the vesting terms and forfeiture of the options.

Warrants

The changes in warrants outstanding during the years ended March 31, 2025 and March 31, 2024 are as follows:

	Year ended March 31, 2025	
	Number of warrants	Weighted average exercise price (\$)
Outstanding, at beginning of year	400,672	4.50
Expired	(400,672)	4.50
Warrants outstanding, ending	-	-
Warrants exercisable, ending	-	-

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	Year ended March 31, 2024	
	Number of warrants	Weighted average exercise price (\$)
Outstanding, at beginning of year	714,313	4.50
Granted (Note 24)	259,199	2.25
Expired	(572,840)	4.5
Warrants outstanding, ending	400,672	3.00
Warrants exercisable, ending	400,672	3.00

On May 25, 2023 the Company issued 259,199 warrants in a private placement. The fair value was determined to be \$167,939 using a relative fair value method. The assumptions used in the Black-Scholes calculation were as follows: Expected dividend yield – Nil; Exercise Price \$2.25; Risk free interest rate – 2.45%; Expected life – 1.5 years and expected volatility of 100%.

On December 31, 2023, 572,840 warrants expired unexercised. The warrants were granted on December 31, 2020.

On September 3, 2024, 141,473 warrants expired unexercised. The warrants were granted on September 2, 2022.

On November 25, 2024, 259,199 warrants expired unexercised. The warrants were granted on May 25, 2023.

Restricted stock units (RSUs)

The changes in RSUs outstanding during the years ended March 31, 2025 and March 31, 2024 are as follows:

	Year ended March 31, 2025	
	Number of RSUs	
Outstanding, at beginning of year	210,613	
Exercised during year	(87,280)	
Cancelled during year (i)	(23,556)	
RSUs outstanding, ending	99,777	
RSUs exercisable, ending	49,889	

	Year ended March 31, 2024	
	Number of RSUs	
Outstanding, at beginning of year	393,809	
Issued during the year (ii)(iii)(iv)	(65,238)	
Exercised during year	(117,958)	
RSUs outstanding, ending	210,613	
RSUs exercisable, ending	61,666	

- (i) During the year ended March 31, 2025, a total of 23,556 RSUs were forfeited due to the termination of services from consultants and an employee of the Company. In connection with the RSUs forfeited and cancelled, previous share-based payment expenses totaling \$33,572 were reversed under professional fees and consulting fees and general and

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administrative expenses in the condensed consolidated interim statements of net loss and comprehensive loss.

The RSUs granted are accounted for as an equity instrument whereby share-based payments recognized in the consolidated statements of net loss and comprehensive loss are held in options reserve until exercised.

During the year ended March 31, 2025, \$91,570 (March 31, 2024 - \$566,284) was expensed and recorded as share-based payments under professional fees and consulting fees and general and administrative in the consolidated statements of net loss and comprehensive loss on the vesting of RSUs.

12. Listing expense

On January 25, 2024 the Company's subsidiary PBM completed the RTO Transaction (See Note 1). As disclosed in Note 4, the RTO Transaction did not constitute a business combination as defined under IFRS 3, Business Combinations, as NCAC is a non-operating entity that does not meet the definition of a business under IFRS 3. The excess of the consideration paid over the net liability acquired together with any transaction costs incurred for the Transaction is expensed as a listing expense in accordance with IFRS 2 Share-Based Payments. The fair value of the consideration paid was determined by the closing trading price (CAD \$3,861.46/share based on USD \$2,863.22/share) of the NCAC's common shares listed on the NASDAQ on January 25, 2024.

Accordingly, upon consummation of the BCA the Company subsidiary PBM issued 13,040 common shares in exchange for the outstanding ordinary shares held by NCAC stockholders.

The calculation of listing expenses is as follows:

	Listing Expense
Consideration paid:	
Shares issued to NCAC shareholders	13,040
Total consideration shares issued	13,040
Fair value of the common shares	\$ 3,861.46
Deemed consideration amount for the common shares issued	\$ 50,353,497
Net identifiable liabilities acquired:	
Cash and cash equivalent	\$ 274
Accounts payable and accrued liabilities	\$ (2,881,447)
NCAC promissory note (Note 14)	\$ (1,906,389)
Derivative warrant liabilities (Note 17)	\$ (802,493)
Net liabilities acquired	\$ 5,590,055
Listing expense	\$ 55,943,552

The listing expense has been included in the consolidated statements of net loss and comprehensive loss.

Transaction expenses included in the consolidated statements of net loss and comprehensive loss are others costs of \$2,529,275 in connection with the RTO Transaction composed of legal, banking and professional fees. Transaction expenses include an amount incurred between PGI and PBM of \$855,569 which is eliminated upon consolidation.

Some payments to brokers and advisors were in the Company's subsidiary's shares upon RTO at the closing trading price on January 25, 2024.

13. Non-controlling interest (NCI)

On January 25, 2024, the Company completed a transaction to list its subsidiary, PBM, on the NASDAQ. Following the transaction, the Company exchanged its shares in its subsidiaries performing clinical trials for 8,365 shares in the newly listed PBM, representing a 37% ownership stake. Despite this, the Company retained control over PBM.

Initial Consideration for NCI:

The initial consideration for the non-controlling interest, as described in Note 12, was \$54,203,657, (13,040 shares to NCAC shareholders and 997 shares to advisors at a fair value of \$3,861.46. The historic net liabilities were transferred to NCI.

Disposal of Net Liabilities:

As of the Closing date, the Company disposed of historic net liabilities amounting to \$2,775,945. The fair value of the net liabilities acquired in PBM was \$2,211,915. The difference between these figures \$564,030 has been recognized in the statement of changes in equity.

Non-Controlling Interest:

As a result of transactions with NCI, including issuance of PBM shares to extinguish convertible note liability and NCAC promissory note and sales of PBM shares to third parties, non-controlling shareholders hold 85% (March 31, 2024 - 63%) interest in PBM. The transactions with NCI resulted in the NCI adjustment of \$2,632,413 which was recorded in Deficit in the consolidated statements of changes in shareholders' equity.

During the year ended March 31, 2025, the share of profits attributable to non-controlling shareholders was \$369,981 (March 31, 2024 – loss of \$41,591,243).

14. NCAC Promissory Note

On January 25, 2024, PBM issued an unsecured convertible promissory note to the NCAC Sponsor (the "**NCAC Note**"), in the principal amount of USD \$1,615,501, which is equal to the total amount owed to NCAC Sponsor under certain existing promissory notes previously issued by NCAC to the NCAC Sponsor (the "**Existing Notes**"). The NCAC Note bore no interest, and (i) USD \$100,000 of the principal balance of the NCAC Note became owing on the Closing Date and (ii) USD \$1,515,501 of the principal balance of the NCAC Note was payable on the date that is the one-year anniversary after the Closing Date, or January 25, 2025. This note is convertible into shares at the option of NCAC Sponsor.

NCAC Note was designated at FVTPL due to the embedded conversion features, as the conversion prices were not fixed.

At inception on January 25, 2024 the fair value of the NCAC note was \$1,906,389 (USD \$1,413,529).

On September 30, 2024, PBM entered into Debt for Equity Exchange Agreement with NCAC Sponsor pursuant to which PBM issued 5,405 of PBM's common shares to extinguish the outstanding balance of NCAC Note, representing a conversion price of USD \$298.88 per PBM's share.

In accordance with the Debt for Equity Exchange Agreements, as amended, PBM will need to issue additional shares to NCAC Sponsor if PBM's volume weighted average share price for the 10 days prior to November 26, 2024 is lower than USD \$298.88 per PBM's share ("**NCAC make whole payment**").

In December 2024, PBM issued 46,870 common shares to extinguish the NCAC make whole payment.

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The issuance of shares pursuant to the Debt for Equity Exchange Agreements resulted in a fair value gain of \$525,757 which was recorded in the consolidated statements of net loss and comprehensive loss.

The fair value of the NCAC Note was calculated using a credit adjusted market borrowing rate as at March 31, 2024. The fair value of the NCAC Note was \$nil as at March 31, 2025 (March 31, 2024 - \$1,997,617). A fair value gain of \$530,261 was recognized during the year in the consolidated statements of net loss and comprehensive loss (March 31, 2024 -\$81,901).

15. Other income

During the year ended March 31, 2024, the Company received a research and development rebate of AUD \$1,336,622 (\$1,185,719) from the Australian Taxation office (March 31, 2025 – nil). The Company benefits from the Australian Federal Government's Research & Development tax incentive program, which provides up to a 43.5% rebate on research and development expenses in Australia.

This rebate represents a government grant aimed at supporting research and development activities. Therefore, in accordance with IAS 20, Accounting for governmental grants, the grant is recognized as income when there is a reasonable assurance that the grant will be received and that the Company will comply with the conditions attached to it. These conditions were satisfied when the Company received the rebate on October 5, 2023.

On August 21, 2023 the Company entered into a loan agreement via its Australian subsidiary Psyence Australia (Pty) Ltd (the "**Borrower**"), to borrow up to AUD \$1,100,000 by way of a secured loan from RH Capital Finance Co., LLC. The Loan is secured by way of a General Security Agreement and company guarantee against the assets of the Borrower and the Company.

The loan was granted to the Borrower after it successfully registered its research and development activities with the Australian Federal Government. The Borrower benefits from the Australian Federal Government's Research & Development tax incentive program, which provides up to a 43.5% rebate on research and development expenses in Australia. The Loan bore interest at 16% per annum subject to a minimum interest chargeable period of 91 days and is repayable at the earlier of: (a) 21 business days after the notice of assessment (in respect of R&D refunds) is issued by the Australian Taxation Office to the Borrower for the financial year ended June 30, 2023 (b) an event of default and (c) 30 November 2023.

The loan with RH Capital Finance Co., LLC was repaid in full on October 5, 2023 when the Company received the research and development rebate from the Australian Taxation office, which was utilized to settle the loan payable.

\$nil (March 31, 2024 - \$40,045) in interest expense was incurred during the year ended March 31, 2025, on this loan.

16. Convertible note liability

On January 15, 2024, in connection with the RTO Transaction (Note 12), PBM and Psyence Biomed II entered into the Securities Purchase Agreement with the Investors and the NCAC Sponsor, relating to up to four senior secured convertible notes obligations under which are guaranteed by certain assets of PBM and Psyence Biomed II, issuable to the Investors at or after the Closing Date, as the case may be, for the aggregate principal amount of up to \$17,970,000 (USD \$12,500,000) in exchange for up to \$14,376,000 (USD \$10,000,000) in cash subscription amounts (the "**Convertible Note Financing**").

The First Tranche Notes, for an aggregate of \$3,387,500 (USD \$3,125,000) principal, were delivered by PBM to the Investors on January 25, 2024, in exchange for an aggregate of \$2,710,000 (USD \$2,500,000) in financing, which occurred substantially concurrently with the consummation of the RTO Transaction. On the original issuance date of the First Tranche Notes, interest began accruing at 8.0% per annum based on the outstanding principal amount of the First Tranche Notes and is payable monthly in arrears in cash or in common shares of PBM. The maturity date of the First Tranche Note was January 25, 2027.

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The Second Tranche Notes, for an aggregate of \$1,437,600 (USD \$1,000,000) principal, were delivered by PBM to the Investors between May and July 2024, in exchange for an aggregate of \$1,797,000 (USD \$1,250,000) in financing. On the original issuance date of the Second Tranche Notes, interest began accruing at 8.0% per annum based on the outstanding principal amount of the Second Tranche Notes and is payable monthly in arrears in cash or in common shares of PBM. The maturity date of the Second Tranche Notes is May 31, 2027.

PBM designated the entire instrument as FVTPL.

On August 20, 2024, PBM and the Investor entered into an addendum to the Securities Purchase Agreement (the "Addendum"). Under the provisions of the Addendum, the First and Second Tranche Notes would be extinguished by the Company issuing common shares within the conversion limits detailed in the Securities Purchase Agreement.

As a consideration to the Investor entering into the Addendum, PBM issued to the Investor 1,673 common shares valued at \$751,864 (USD \$523,000) based on the market price of the PBM's common shares on the date of issuance and 837 warrants to acquire common shares of PBM with a two-year expiry, exercisable at USD \$298.88 per PBM's share. The warrants were valued at \$61,138 (USD \$42,528) using the Black-Scholes pricing model with the following assumptions:

Warrant Inputs at August 20, 2024	
PBM share price	USD \$312.62
Expected dividend yield	Nil
Exercise price	USD \$298.88
Risk-free interest rate	3.93%
Expected life	2.00
Expected volatility	17.7%
Expiry date	August 20, 2026

The fair value of shares and warrants issued pursuant to the Addendum as detailed above, was recorded in the consolidated statements of net loss and comprehensive loss as part of the fair value gain on convertible note.

On November 27, 2024, PBM and the Investor entered into the Termination Agreement pursuant to which all obligations, covenants and liabilities of the Company and the Investor under the Securities Purchase Agreement will be fully and finally terminated.

As a consideration to the Investor entering into the Termination Agreement, PBM issued to the Investor 18,947 common shares valued at \$703,846 (USD \$489,598) based on the market price of the common shares on the date of issuance and 22,876 warrants to acquire common shares of PBM with nominal exercise price for a one-year period. The warrants were valued at \$919,997 (USD \$639,954) by the reference PBM's common share price.

The fair value of shares and warrants issued pursuant to the Termination Agreement as detailed above, was recorded in the consolidated statements of net loss and comprehensive loss as part of the fair value gain on convertible note.

Between May and September 2024, PBM converted all outstanding balance of the First and Second Tranche Notes into common shares by issuing 17,536 common shares.

PBM measured the fair value of the convertible loan liability before each conversion using Monte Carlo valuation model with the following main assumptions: expected dividend yield 0%, exercise price USD \$224.22- USD \$320.45, risk free interest rate 3.63%- 5.23%, expected life 0.1 – 2.7 years.

The change in fair value resulted in a fair value gain of \$7,108,202 (USD \$5,052,708) (2024 – loss of \$6,955,644 (USD \$5,157,397)) which was recorded in the consolidated statements of net loss and comprehensive loss as part of the fair value gain on convertible note.

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As at March 31, 2024, the fair value of the convertible notes was estimated at \$10,375,773 (USD\$7,657,397) using a combined discounted cash flow approach and Monte Carlo simulation with the following assumptions:

	Inputs
PBM share price	USD \$681.44
Note principal amount	USD \$3,125,000
Prepayment Amount	130%
Discount rate shares	4.43%
Discount rate cash	20.83%
Volatility annual	100%
Volatility daily	6.30%
Risk free annual	4.43%

17. Derivative warrant liabilities

PBM has two classes of warrant liabilities outstanding: Public Warrants and Private Warrants. As of March 31, 2025, there were 20,762 warrants issued and outstanding, consisting of 19,808 Public Warrants and 954 Private Warrants (March 31, 2024 – 20,912 Public Warrants and 954 Private Warrants). Each warrant is exercisable to purchase one PBM's common share at a price of USD \$6,874.13 per share.

During the year ended March 31, 2025, PBM entered into the Warrant Exchange Agreement. Pursuant to the Warrant Exchange Agreement, PBM issued to the Holder 1,104 PBM's common shares in exchange for the surrender and cancellation of 1,104 Public Warrants held by the Holder. The warrants exchange resulted in a loss of \$257,474 (USD\$185,064) which was recorded in the consolidated statements of net loss and comprehensive loss.

Public Warrants: The fair value of the Public Warrants is determined based on the observable market price, as they continue to be traded on the Nasdaq under the symbol "PBMWW." Changes in fair value during the years ended March 31, 2025 and March 31, 2024, have been recognized in the consolidated statements of net loss and comprehensive loss.

Private Warrants: The Company utilizes a Black-Scholes options valuation model to value the private warrants at each reporting period, using the following main assumptions:

	Warrant Inputs at March 31, 2025	Warrant Inputs at March 31, 2024
PBM share price	USD \$4.78	USD \$681.44
Expected dividend yield	Nil	Nil
Exercise price	USD \$6,874.13	USD \$6,874.13
Risk-free interest rate	4.21%	4.21%
Expected life	4.00	5.00
Expected volatility	59.98%	59.98%
Expiry date	January 25, 2029	January 25, 2029

At March 31, 2025 the fair value of the Public and Private Warrants was \$287,658 (USD\$200,096) (March 31, 2024 – \$1,185,793 (USD\$875,000)) and \$nil (March 31, 2024 – \$35,885 (USD\$26,608)), respectively. A fair value loss of \$966,259 (USD\$694,516) was recognized on the consolidated statements of income/(loss) and comprehensive income/(loss).

The expected volatility was based on implied volatility of the Public Warrants.

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Derivative warrant liability – Public and Private Warrants		
	Number	Amount (\$)
At listing January 25, 2024	21,866	806,710
Fair value loss	-	414,968
Opening balance April 1, 2024	21,866	1,221,678
Warrant exchange	(1,104)	(10,057)
Fair value gain	-	(966,259)
Forex movement	-	42,296
Balance as at March 31, 2025	20,762	287,658

Warrant transactions and the number of warrants outstanding are summarized as follows:

	Public Warrants		Private Warrants	
	Number of Warrants	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price
Balance, April 1, 2023	-	-	-	-
Issued	20,912	\$9,882.25	954	\$9,882.25
Balance, March 31, 2024	20,912	\$9,882.25	954	\$9,882.25
Warrant exchange	(1,104)	\$9,882.25	-	\$9,882.25
Balance, March 31, 2025	19,808	\$9,882.25	954	\$9,882.25

The following warrants were outstanding and exercisable at March 31, 2025:

Issue Date	Expiry Date	Exercise Price	Number of Warrants Outstanding	Number of Warrants Exercisable
January 25, 2024	January 25, 2029	\$9,882.25	20,762	20,762

18. PBM ELOC

On August 28, 2024, PBM entered into a US\$25 million equity line of credit (ELOC) agreement with White Lion Capital, LLC, which was declared effective by the U.S. Securities and Exchange Commission (SEC). This agreement allows the Company to sell up to US\$25 million in shares over a 24-month period, subject to specific conditions outlined in the Purchase Agreement.

As part of the consideration for entering into the ELOC, PBM issued 3,392 PBM's common shares to White Lion at a fair value of \$269,550 (US\$187,500) as a commitment fee.

During the year ended March 31, 2025, PBM issued 218,900 PBM's common shares for total consideration of \$9,621,130 (US\$6,692,495). PBM incurred \$405,546 (US\$282,100) in cash settled share issuance costs.

19. PBM's PIPE Financing - Private Placement and Warrants

Private placement

On December 24, 2024, PBM completed a private placement with HC Wainwright & Co., LLC ("HCW"), raising gross proceeds of \$2,875,200 (US\$2,000,000) through the issuance of:

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- 47,679 PBM's common shares,
- 77,792 pre-funded warrants (each exercisable into one PBM's common share at a nominal exercise price), and
- 250,942 PBM's common share purchase warrants, comprising:
 - 125,471 PBM warrants with an exercise price of US\$15.94 per PBM's share and a 5-year term (expiring December 24, 2029), and
 - 125,471 PBM warrants with an exercise price of US\$15.94 per PBM share and a 2-year term (expiring December 24, 2026).

The proceeds were allocated between the common shares and the warrants based on their relative fair values on the date of issuance.

PBM incurred \$370,829 (US\$257,949) in cash settled share issuance costs

20. Segmented information

For the year ended March 31, 2025 management determined that the Company operated in two segments: clinical trial activities and non-clinical trial activities.

The following is an analysis of non-current assets by geographical location:

Asset location (\$)	March 31, 2025	March 31, 2024
Canada	14,901	17,422
United States of America	15,951	7,435
Southern Africa (Lesotho and South Africa)	-	1,459,245
British Virgin Isles	1,071,012	
Non-current segment assets	1,101,864	1,484,102

The following is segment analysis of clinical trials vs non-clinical trials:

Asset location (\$)	Clinical Trials	Non-clinical trials	Total
Segment Assets			
Cash & cash equivalents	8,819,915	68,655	8,888,570
Restricted cash	51,702	-	51,702
Other receivables	197,452	3,281	200,733
Prepays	361,982	-	361,982
PP&E	15,951	-	15,951
Intangible assets	-	14,901	14,901
Investment in Psyence Labs Ltd	1,071,012	-	1,071,012
Segment liabilities			
Accounts payable and other liabilities	(566,803)	(209,272)	(776,075)
Derivative warrant liabilities	(287,658)	-	(287,658)
Expenses			
Sales & marketing	(672,721)	(3,589)	(676,310)
Research & development	(475,755)	-	(475,755)

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General & administrative	(1,671,078)	(70,845)	(1,741,923)
Professional fees & consulting fees	(2,270,448)	(342,837)	(2,613,286)
Depreciation & amortization	(5,939)	(2,520)	(8,460)
Interest income	133,265	134	133,399
Interest expense	(12,824)	(4)	(12,828)
Foreign exchange gain (loss)	325	1,147	1,471
Loss on disposal of subsidiary's	-	(540,970)	(540,970)
Loss on settlement of debt	-	(6,000)	(6,000)
Fair value gain	6,393,735	(483,321)	(5,910,413)

21. Transactions with related parties

All related party transactions are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties. All amounts either due from or due to related parties other than specifically disclosed are non-interest bearing, unsecured and have no fixed terms of repayments. The Company incurred the following transactions with related parties during the year ended March 31, 2025 and March 31, 2024:

Compensation to key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel include the Company's executive officers and Board of Directors.

Key Management Personnel	March 31, 2025	March 31, 2024
Short term benefits	573,071	574,831
Share-based compensation	68,311	387,687
Total	641,382	962,518

Short term benefits consist of consulting fees, payroll and other benefits paid to key management personnel.

Balances

As at March 31, 2025, the Company held amounts totalling \$68,311 (March 31, 2024 - \$28,111) in accounts payable and accrued liabilities. These are amounts owing to key management personnel.

22. Financial instruments and financial risk management

In the normal course of business, the Company is exposed to a variety of financial risks: credit risk, liquidity risk, foreign exchange risk and interest rate risk. These financial risks are subject to normal credit standards, financial controls, risk management as well as monitoring. The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

Credit risk

Credit risk arises from cash and cash equivalents, restricted cash, other receivables and loan to joint venture. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses on financial assets. The Company minimizes the credit risk of cash by depositing with only reputable financial institutions. The Company also assesses the credit quality of counterparties, taking into account their financial position, past experience and other factors.

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Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

As at March 31, 2025, the Company's financial liabilities consist of account payable and accrued liabilities.

The Company manages liquidity risk through an ongoing review of future commitments and cash balances available. Historically, the Company's main source of funding has been the issuance of shares for cash, primarily through private placements. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity or debt funding.

The following table illustrates the contractual maturities of financial liabilities as at March 31, 2025:

Financial Instrument Maturity (\$)	Carrying amount	Contractual cash flows	Less than 1 year	Between 1 and 3 years
Accounts payable and accrued liabilities	776,075	776,075	776,075	-
Total	776,075	776,075	776,075	-

Foreign exchange risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency.

The Company operates internationally and is exposed to foreign exchange risk from the AUD and USD. Foreign exchange risk arises from transactions as well as recognized financial assets and liabilities denominated in foreign currencies.

A 10% adverse change in exchange rate would have resulted in a loss of \$881,291 as at March 31, 2025.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has no significant interest-bearing assets or liabilities and therefore its income and operating cash flows are substantially independent of changes in market interest rates.

23. Loss per share

The calculation of basic and diluted profit/(loss) per common share for the year ended March 31, 2025 and March 31, 2024 was calculated as follows:

Earnings per share (\$)	March 31, 2025	March 31, 2024
Basic and diluted loss per share:		
Net loss	(30,249)	(69,445,310)
Average number of common shares outstanding	9,337,033	8,889,123
Loss per share – basic and diluted	(0.00)	(7.81)

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The diluted weighted average number of common shares does not take into account the effects of stock options and warrants as they would be anti-dilutive for the year ended March 31, 2025 and March 31, 2024.

24. Income taxes

The reconciliation of the combined Canadian federal and provincial statutory income tax rate of 26.5% (2024 – 26.5%) to the effective tax rate is as follows:

	2025	2024
Net Income/(Loss) before recovery of income taxes	(30,249)	(69,445,310)
Expected income tax (recovery)/expense	(8,016)	(18,403,007)
Difference in foreign tax rates	9,552	103,521
Listing expense	-	14,825,460
Non-taxable fair value gain adjustment	(2,396,195)	-
Non-deductible loss on loan settlement	745,821	-
Non-deductible loss on disposal of subsidiaries	143,357	-
Taxable capital gain on dispositions	50,886	-
Non-deductible share-based compensation	25,090	-
Share issue costs booked to equity	(343,400)	-
Other permanent expenses	163	2,718,801
Change in tax benefits not recognized	1,772,742	755,225
Income tax (recovery)/expense	-	-

Unrecognized deferred tax asset

Deferred taxes are provided as a result of temporary differences that arise due to the differences between the income tax values and the carrying amounts of assets and liabilities. Deferred tax assets have not been recognized in respect of the following deductible temporary differences:

Unrecognized deductible temporary differences	2025	2024
Property and equipment	6,481	265,515
Restricted interest and financing expenses - Canada	1,098,753	-
Investment in Joint Venture	-	264,822
Loan liability	-	21,468
Intangible assets	143,030	140,509
Share issuance cost and others	1,112,767	285,799
Non-capital losses carried forward-Canada	13,454,995	8,823,244
Non-capital losses carried forward-Lesotho	-	1,594,883
Non-capital losses carried forward-South Africa	-	235,512
Non-capital losses carried forward-Australia	857,116	223,389
Non-capital losses carried forward-UK	-	122,966
Promissory note	-	146,730
	16,673,142	12,124,837

Share issuance and financing costs will be fully amortized in 2029.

The Company's non-capital loss carry forwards will expire as noted in the table below:

Year of expiry	Canada	Australia
2041	314,280	-
2042	3,266,780	-
2043	3,103,086	-
2044	2,251,214	-
2045	4,519,635	-
Indefinite	-	857,116
Total	13,454,995	857,116

25. Capital management

The Company manages its cash and cash equivalents and the components of shareholders' equity as capital. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development of natural health business, to maintain a flexible capital structure which optimizes the cost of capital at an acceptable risk level.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust its capital structure, the Company may attempt to issue new shares, issue new debt, acquire or dispose of assets or adjust the amount of cash and short-term investments on hand.

In order to facilitate the management of its capital requirements, the Company prepares annual budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. The annual and updated budgets are approved by the Board of Directors.

Management considers its approach to capital management to be appropriate given the relative size of the Company. There were no changes in the Company's approach to capital management during the year.

26. Subsequent Events

On April 1, 2025 the Company granted 602,299 restricted stock units ("**RSU's**") to consultants of the Company. This was granted according to the equity incentive scheme of the Company.

On April 23, 2025 the Company consolidated its common shares on the basis of 15:1.

In May 2025, the Company sold all its ownership in PBM for the net proceeds of \$302,300 to third party investors. As a result, the Company lost control over PBM.

The Company issued 6,000,000 common shares through a private placement at a price of \$0.10 per share for total gross proceeds of \$600,000.



Psyence Group Inc.

Consolidated Financial Statements

Years ended March 31, 2024 and March 31, 2023

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(CAD \$)

Management's Responsibility for Financial Reporting

The accompanying consolidated financial statements of the Company have been prepared by management in accordance with International Financial Reporting Standards. These consolidated financial statements contain estimates based on management's judgment. Management maintains an appropriate system of internal controls to provide reasonable assurance that transactions are authorized, assets safeguarded, and proper records maintained.

The Audit Committee of the Board of Directors reviews the results of the annual audit and the consolidated financial statements prior to submitting the consolidated financial statements to the Board for approval.

The Company's auditors, MNP LLP, are appointed by the shareholders to conduct an audit and their report follows.

"Jody Aufrichtig"

Executive Chairman

Toronto, Canada

July 29, 2024

To the Shareholders of Psyence Group Inc.:

Opinion

We have audited the consolidated financial statements of Psyence Group Inc. and its subsidiaries (the "Company"), which comprise the consolidated statements of financial position as at March 31, 2024 and March 31, 2023, and the consolidated statements of net loss and comprehensive loss, changes in shareholders' equity (deficit) and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at March 31, 2024 and March 31, 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audits of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the consolidated financial statements, which indicates that as at March 31, 2024, the Company had not yet achieved profitable operations and, as of that date, the Company had an accumulated deficit. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Control Assessment of Psyence Biomedical Ltd. ("PBM")

Key Audit Matter Description

As described in Note 3, 4 and 13 of the consolidated financial statements, as at March 31, 2024, the Company had a 37% ownership interest in PBM. This investment was consolidated on the basis of control in accordance with IFRS 10, Consolidated Financial Statements.

We considered this to be a key audit matter due to the significant judgment required by management in determining whether the Company controls PBM. This in turn led to a high degree of auditor subjectivity, judgment and effort in performing procedures relating to the control assessment. The key considerations used in management's control assessment of PBM included the significant ownership interests held by the Company in PBM's voting rights, together with other factors described in Note 4.

Audit Response

We responded to this matter by performing procedures in relation to the control assessment of PBM. Our audit work in relation to this included, but not restricted to, the following:

- Assessing the reasonableness of the Company's ownership and voting rights of PBM.
- Verifying the shareholders of PBM to determine the size and dispersion of shareholdings of the other shareholders.
- Evaluating the existence of other facts and circumstances supporting control under IFRS 10, including an assessment of substantive potential voting rights held by the Company and other parties.
- Considering PBM's key management roles, including evaluation of related party transactions.
- Assessing composition of PBM's board members and appointment rights of the Board of Directors.
- Assessing the appropriateness of the disclosures relating to the control assessment of PBM in the notes to the consolidated financial statements.

Other Information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audits of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements, or our knowledge obtained in the audits or otherwise appears to be materially misstated. We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Zhi Huang.

Toronto, Ontario
July 29, 2024

MNP LLP

Chartered Professional Accountants
Licensed Public Accountants

PSYENCE GROUP INC.
Consolidated Financial Statements
(Expressed in Canadian Dollars)

Consolidated Statements of Financial Position

As at March 31, 2024 and March 31, 2023

CAD \$	Note	As at March 31, 2024	As at March 31, 2023
ASSETS			
Current assets			
Cash and cash equivalents	5	1,058,752	2,383,352
Restricted cash	5	50,123	40,000
Other receivables	6	237,223	245,243
Prepays	7	442,269	107,870
Total current assets		1,788,367	2,776,465
Non-current assets			
Prepays	7	-	579,043
Property and equipment	7	1,466,680	626,049
Intangible assets	8	17,422	19,942
Total non-current assets		1,484,102	1,225,034
TOTAL ASSETS		3,272,469	4,001,499
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	10	1,477,138	2,620,209
NCAC promissory note	14	1,997,617	-
Convertible note liability	16	10,375,773	-
Derivative warrant liabilities	17	1,221,678	-
Current portion of lease liabilities	25	575	2,034
Total current liabilities		15,072,781	2,622,243
Non-current liabilities			
Lease liabilities	25	33,273	45,040
Total non-current liabilities		33,273	45,040
TOTAL LIABILITIES		15,106,054	2,667,283
SHAREHOLDERS' DEFICIT			
Share capital	11	21,662,052	20,400,055
Options reserve	11	2,013,786	1,562,373
Warrants reserve	11	1,574,721	1,406,782
Foreign currency translation reserve		124,365	(68,138)
Accumulated Deficit		(49,256,893)	(21,966,856)
Non-controlling interest	13	12,048,384	-
TOTAL SHAREHOLDERS' DEFICIT		(11,833,585)	1,334,216
TOTAL LIABILITIES AND SHAREHOLDERS' DEFICIT		3,272,469	4,001,499

Nature of operations (note 1)
Subsequent events (note 26)

Approved on behalf of the Board of Directors.

"Jody Aufrichtig"

Executive Chairman and Director

"Warwick Corden-Lloyd"

Director

The accompanying notes are an integral part of the Consolidated Financial Statements.

PSYENCE GROUP INC.
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Consolidated Statements of Net Loss and Comprehensive Loss

For years ended to March 31, 2024 and March 31, 2023

CAD \$	Note	2024	2023
Expenses			
Sales and marketing		152,162	253,621
Research and development		1,579,253	2,297,703
General and administrative		1,132,680	763,642
Professional fees and consulting fees		2,297,951	2,558,981
Depreciation and amortization	7,8	97,929	92,269
Loss before other items		(5,259,975)	(5,966,216)
Other items			
Other income	15	1,191,807	5,449
Interest income		3,572	7,586
Interest expense	15,24	(71,388)	(121,909)
Accretion expense		(1,238)	(1,231)
Foreign exchange gain/(loss)		8,965	(9,049)
Share of loss from joint venture	9	-	(134,769)
Loss on impairment of loan to joint venture	9	-	(53,084)
Reversal of impairment of loan to joint venture	9	8,101	-
Gain on settlement of debt	11,12	598,249	5,931
Listing expense	12	(55,943,552)	-
Transaction expense	12	(2,529,275)	-
Fair value loss on NCAC promissory note	14	(81,901)	-
Fair value loss on convertible note	16	(6,955,644)	-
Fair value loss on warrant liability	17	(413,031)	-
Gain on fair value change in derivative liability	24	-	185,000
NET LOSS		(69,445,310)	(6,082,292)
Other comprehensive income/(loss)			
Foreign exchange gain/(loss) on translation		192,503	(94,936)
TOTAL COMPREHENSIVE LOSS		(69,252,807)	(6,177,228)
NCI share of losses	13	(41,591,243)	-
Parent share of losses		(27,854,067)	(6,177,228)
Loss per share - basic and diluted	21	(0.52)	(0.07)
Weighted average number of outstanding shares - basic and diluted		133,336,848	89,007,181

The accompanying notes are an integral part of the Consolidated Financial Statements.

PSYENCE GROUP INC.
Consolidated Annual Financial Statements
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Consolidated Statements of Changes in Shareholders' Equity

For years ended March 31, 2024 and March 31, 2023

	Note	Number of shares	Share capital (\$)	Warrants reserve (\$)	Options reserve (\$)	Foreign currency translation reserve (\$)	Deficit (\$)	Non- controlling interest (\$)	Total shareholders' equity (\$)
Opening balance as at April 1, 2022		85,528,931	16,023,565	1,329,640	1,215,776	26,798	(15,884,564)	-	2,711,215
Share based compensation	11	-	-	-	449,437	-	-	-	449,437
Issuance of warrants	24	-	-	77,142	-	-	-	-	77,142
Conversion of convertible debt	24	11,059,047	1,103,709	-	-	-	-	-	1,103,709
Shares issued for cash, net of issuance costs	11	25,351,701	3,033,536	-	-	-	-	-	3,033,536
Exercise of RSUs	11	828,375	102,840	-	(102,840)	-	-	-	-
Shares issued on settlement of debt	11	1,186,134	136,405	-	-	-	-	-	136,405
Other comprehensive loss		-	-	-	-	(94,936)	-	-	(94,936)
Net loss		-	-	-	-	-	(6,082,292)	-	(6,082,292)
Balance, March 31, 2023		123,954,188	20,400,055	1,406,782	1,562,373	(68,138)	(21,966,856)	-	1,334,216
Opening balance as at April 1, 2023		123,954,188	20,400,055	1,406,782	1,562,373	(68,138)	(21,966,856)	-	1,334,216
Share based compensation	11	-	-	-	566,284	-	-	-	566,284
Shares issued for cash, net of issuance costs	11	10,188,215	1,029,527	167,939	-	-	-	-	1,197,466
Exercise of RSU's	11	978,570	114,871	-	(114,871)	-	-	-	-
Shares issued on settlement of debt	11	3,985,253	117,599	-	-	-	-	-	117,599
Net assets transferred to NCI	13	-	-	-	-	-	-	54,203,657	54,203,657
Net assets acquired in RTO	13	-	-	-	-	-	564,030	(564,030)	-
Other comprehensive loss		-	-	-	-	192,503	-	-	192,503
Net loss		-	-	-	-	-	(27,854,067)	(41,591,243)	(69,445,310)
Balance, March 31, 2024		139,106,226	21,662,052	1,574,721	2,013,786	124,365	(49,256,893)	12,048,384	(11,833,585)

The accompanying notes are an integral part of the Consolidated Financial Statements.

PSYENCE GROUP INC.
Consolidated Financial Statements
(Expressed in Canadian Dollars)

Consolidated Statements of Cash Flows

For years ended March 31, 2024 and March 31, 2023

	Note	March 31, 2024	March 31, 2023
Net loss		(69,445,310)	(6,082,292)
Non-cash adjustments:			
Depreciation and amortization	7,8	97,929	92,269
Foreign exchange		231,513	(41,488)
Share based compensation - options	11	566,283	449,437
Accretion expense	14	1,238	1,231
Interest expense	12	-	121,909
Share of loss from joint venture	9	-	134,769
Impairment on loan to joint venture	9	-	53,084
Impairment reversal	9	(8,101)	-
Gain on settlement of debt	11,12	(598,249)	(5,931)
Listing expense	12	55,943,552	-
Transaction expense	12	1,348,673	-
Change in ROU assets	7	(17,716)	-
Fair value loss on NCAC promissory note	14	81,901	-
Fair value loss on convertible note liability	16	6,955,644	-
Fair value loss on derivative warrant liabilities	17	413,031	-
Gain on fair value change in derivative liability	24	-	(185,000)
Changes in working capital:			
Other receivables		8,020	(67,686)
Prepays		244,645	(563,866)
Accounts payable and accrued liabilities		(739,534)	2,452,421
Cash used in operating activities		(4,916,481)	(3,641,143)
Additions to property and equipment	7	(988,050)	(264,094)
Loan to joint venture	9	8,101	(166,096)
Increase in restricted cash	5	(10,123)	-
Cash used in investing activities		(990,072)	(430,190)
Repayment of lease liabilities	14	(3,013)	(3,188)
Proceeds from shares issuance, net of issuance costs	11	1,197,466	2,997,536
Proceeds from convertible note liability	16	3,387,500	-
Debt issuance costs	24	-	(34,301)
Proceeds from loan	15	970,533	-
Settlement of loan	15	(970,533)	-
Cash provided from financing activities		4,581,953	2,960,047
Change in cash and cash equivalents		(1,324,600)	(1,111,286)
Cash and cash equivalents, beginning of year		2,383,352	3,494,638
Cash and cash equivalents, end of year		1,058,752	2,383,352

The accompanying notes are an integral part of the Consolidated Financial Statements.

Notes to the Consolidated Financial Statements

1. Nature of operations and going concern

Psyence Group Inc. (the “**Company**” or “**PGL**”) is a life science biotechnology company focused on the research, cultivation and production of psychedelics and nature-based compounds to treat psychological trauma in the context of palliative care and in support of mental wellness. The safety and efficacy of psychedelics will be evaluated through rigorous clinical trials.

The Company’s operations are conducted through Psyence Biomed Corp. (“**PBC**”). PBC is incorporated under the laws of the province of British Columbia, Canada. The Company’s registered office is at 121 Richmond Street West, Penthouse Suite, 1300, Toronto, Ontario M5H 2K1. The Company commenced trading on the Canadian Securities Exchange (“**CSE**”) on January 27, 2021 under the symbol “PSYG”.

On February 15, 2023, Psyence Australia (Pty) Ltd. (“**Psyence Australia**”) was incorporated in Victoria, Australia as a subsidiary of PBC.

Pure Psyence Corp. has remained inactive with amounts totaling \$nil recognized in the consolidated statements of net loss and comprehensive loss. Pure Psyence Corp was dissolved on March 2, 2023.

On June 29, 2023, Psyence Biomedical Ltd. (“**PBM**”) was incorporated in Ontario, Canada as a subsidiary of PGL.

On June 29, 2023, Psyence Biomed II Corp. (“**Psyence Biomed II**”) was incorporated in Ontario, Canada as a subsidiary of PGL.

On July 26, 2023, Psyence (Cayman) Merger Sub was incorporated in Cayman Islands as a subsidiary of PBM.

Business Combination Agreement and PBM NASDAQ listing

On January 9, 2023, the Company entered into a definitive business combination agreement (the “**Business Combination Agreement**”) with Newcourt Acquisition Corp. (NASDAQ: NCAC), a special purpose acquisition company (“**SPAC**”). The agreement aimed to create a public company leveraging natural psilocybin for palliative care treatment. The Company contributed its clinical trial activities to Psyence Biomedical Ltd. as described below.

The transaction concluded on January 25, 2024, with PBM's listing on NASDAQ. This transaction involved PBM acquiring the SPAC through a merger, thereby making the SPAC a wholly-owned subsidiary of PBM.

Transaction Overview:

On January 25, 2024 (the “**Closing Date**”), PBM, a corporation organized under the laws of Ontario, Canada, completed the previously announced business combination (the “**RTO Transaction**”) as per the Amended and Restated Business Combination Agreement (the “**BCA**”), dated July 31, 2023. The parties involved in the BCA included:

- Psyence Group Inc.
- Newcourt Acquisition Corp., a Cayman Islands exempted company.
- Newcourt SPAC Sponsor LLC, a Delaware limited liability company (“**NCAC Sponsor**”).
- Psyence (Cayman) Merger Sub, a Cayman Islands exempted company and a wholly owned subsidiary of Psyence Group.
- Psyence Biomed Corp., a corporation organized under the laws of British Columbia, Canada (“**Original Target**”).
- Psyence Biomed II Corp., a corporation organized under the laws of Ontario, Canada.

*Key Transactions (collectively, the “**Business Combination**”):*

Formation of Subsidiaries: Prior to the execution of the BCA, the Company formed two wholly owned subsidiaries: Psyence Biomed II and PBM.

PSYENCE GROUP INC.
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Amalgamation: Prior to the Closing Date, the Company amalgamated with the Original Target. Consequently, the Company transferred shares of Psyence Australia Pty Ltd. and related business assets previously owned by the Original Target to Psyence Biomed II.

Share Exchange: the Company contributed Psyence Biomed II to PBM in a share-for-share exchange (the “**Company Exchange**”).

Merger: Following the Company Exchange, Psyence (Cayman) Merger Sub merged with Newcourt Acquisition Corp., with Newcourt Acquisition Corp. being the surviving entity. Each outstanding ordinary share of Newcourt Acquisition Corp. was converted into the right to receive one common share of PBM.

Warrant Conversion: Each outstanding warrant to purchase Newcourt Acquisition Corp. Class A ordinary shares was converted into warrants to acquire one common share of PBM on substantially the same terms as the original warrants.

On January 15, 2024 and January 23, 2024, the parties to the Business Combination Agreement entered into letter agreements (the “**Closing Letter Agreements**”) pursuant to which, among other things, PBM, the Company, Original Target and Merger Sub (collectively, the “**Psyence Parties**”) agreed, on a conditional basis, to waive the closing conditions contained in the BCA that, at or prior to the closing of the Business Combination (the “**Closing**”), (i) Newcourt SPAC shall have no less than \$20,000,000, net of liabilities, as of the Closing (the “**Minimum Cash Condition**”) and (ii) the PIPE (Private Investment in Public Equity) Investment in the PIPE Investment Amount shall have occurred or shall be ready to occur substantially concurrently with the Closing (the “**PIPE Investment Condition**”) and (iii) to waive certain deliverables of the Business Combination Agreement (the “**Closing Deliverables**”). Upon the Closing, the Psyence Parties waived in full the Minimum Cash Condition, the PIPE Investment Condition and the Closing Deliverables.

Convertible Note Financing

On January 15, 2024, in connection with the Business Combination, PBM entered into a securities purchase agreement (the “**Securities Purchase Agreement**”) by and among (i) PBM, (ii) Psyence Biomed II, (iii) NCAC Sponsor and (iv) certain investors (the “**Investors**”) relating to up to four senior secured convertible notes (collectively, the “**Notes**” and the transactions pursuant to the Securities Purchase Agreement, the “**Financing**”), obligations under which will be guaranteed by certain assets of PBM and Psyence Biomed II, issuable to the Investors at or after the Closing, as the case may be, for the aggregate principal amount of up to USD \$12,500,000 in exchange for up to USD \$10,000,000 in cash subscription amounts.

The Note for the first tranche of the Financing (the “**First Tranche Note**”), for a total of USD \$3,125,000 of principal in exchange for a total of USD \$2,500,000 in subscription amounts and was issued to the Investors substantially concurrently with, and contingent upon, the Closing. The Financing closed immediately prior to the Business Combination (Refer to Note 16).

Merger Consideration

As consideration for all the issued and outstanding Psyence Biomed II common shares that PBM received in the Company Exchange, PBM issued to the Company, 5,000,000 Common Shares. As a result, the Company is the largest shareholder of PBM as at March 31, 2024.

Going concern

These audited consolidated financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations.

As at March 31, 2024, the Company had not yet achieved profitable operations, has accumulated losses of \$49,256,893 (March 31, 2023 - \$21,966,856) since its inception and expects to incur further losses in the development of its business, all of which indicate that a material uncertainty exists that casts significant doubt about the Company’s ability to continue as a going concern.

The Company’s ability to continue as a going concern is dependent upon its ability to generate future profitable operations and/or to obtain the necessary financing to conduct its planned business, meet its on-going levels of corporate overhead and discharge its liabilities as they come due. The Company has

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historically raised funds from the issuance of shares and convertible debentures. The Company's ability to obtain additional financing is materially uncertain, as there is no assurance that additional funding will be available on a timely basis or on terms acceptable to the Company. This casts significant doubt on the entity's ability to continue as a going concern.

2. Basis of presentation

Statement of compliance

The consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB").

The consolidated financial statements were authorized for issue on July 29, 2024 by the directors of the Company.

Basis of measurement

These consolidated financial statements have been prepared on an accrual basis, are based on historical costs and are presented in Canadian dollars, unless otherwise noted.

Functional and presentation currency

These consolidated financial statements are presented in Canadian Dollars ("CAD \$"), which is also PGI's functional currency. The functional currency of PGI's subsidiaries: Psyence Therapeutics Corp ("PTC") is Canadian Dollars; Mind Health (Pty) Ltd, is the Lesotho Loti ("LSL"); Psyence South Africa is South African Rand ("ZAR"); Psyence Jamaica is the Jamaican Dollar ("JMD"), Psyence Australia (Pty) Ltd, is the Australian Dollar ("AUD \$"); Psyence Biomedical Ltd, Psyence Biomed II Corp. and Newcourt Acquisition Corp., is the United States Dollar ("USD \$"); and Psyence UK is the Great British Pound ("GBP").

3. Material accounting policies

Basis of consolidation

These consolidated financial statements incorporate the accounts of PGI and its subsidiaries. A subsidiary is an entity controlled by PGI and its results are consolidated into the financial results of the Company from the effective date of control up to the effective date of loss of control.

Control exists when an investor is exposed, or has rights, to variable returns from the involvement with the investee and has liability to affect those returns through its power over the investee. Where the Company's interest is less than 100%, the Company recognizes non-controlling interests.

The entities included in PGI consolidated financial statements as of March 31, 2024 are as follows:

Name of entity	Place of incorporation	% Ownership	Accounting method
Mind Health (Pty) Ltd.	Lesotho	100%	Consolidation
Psyence Therapeutics Corp.	Ontario	100%	Consolidation
Psyence South Africa	South Africa	100%	Consolidation
Psyence Jamaica	Jamaica	100%	Consolidation
Psyence Biomedical Ltd.	Ontario	37%	Consolidation
Psyence Australia (Pty) Ltd.	Australia	37%	Consolidation
Psyence Biomed II Corp.	Ontario	37%	Consolidation
Newcourt Acquisition Corp.	Cayman Islands	37%	Consolidation
Psyence UK	England & Wales	100%	Consolidation
Good Psyence (Pty) Ltd	South Africa	50%	Equity method

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As at March 31, 2024, the Company holds 50% ownership in Good Psyence (Pty) Ltd. which is jointly controlled and accounted for under the equity method. Pure Psyence Corp which was a joint venture was dissolved on March 2, 2023.

Inter-company balances and transactions are eliminated upon consolidation.

There has been no activity recorded for Psyence Jamaica and Pure Psyence Corp.

Loss per share

Basic loss per share is computed by dividing net loss attributable to common shareholders by the weighted average number of shares outstanding in the period. Diluted loss per share is calculated by the treasury stock method. Under the treasury stock method, the weighted average number of common shares outstanding for the calculation of diluted loss per share assumes that the proceeds to be received on the exercise of dilutive share options and warrants are used to purchase common shares at the average market price during the period. The impact of convertible securities issued during the year ended March 31, 2024 and March 31, 2023 are anti-dilutive.

Financial instruments

Financial assets and financial liabilities, including derivatives, are recognized on the consolidated statements of financial position when the Company becomes a party to the financial instrument or derivative contract.

Summary of the Company's classification and measurements of financial assets and liabilities:

Financial Assets and Liabilities	Classification	Measurement
Cash and cash equivalents	Amortized cost	Amortized cost
Restricted cash	Amortized cost	Amortized cost
Loan to joint venture	Amortized cost	Amortized cost
Other receivables (excluding sales tax receivable)	Amortized cost	Amortized cost
Accounts payable and accrued liabilities	Amortized cost	Amortized cost
Derivative liability	FVTPL	Fair value
Derivative warrant liability	FVTPL	Fair value
Convertible note liability	FVTPL	Fair value
NCAC promissory note	FVTPL	Fair value

Classification

The Company classifies its financial assets and financial liabilities in the following measurement categories: i) those to be measured subsequently at fair value through profit or loss ("FVTPL"); ii) those to be measured subsequently at fair value through other comprehensive income ("FVOCI"); and iii) those to be measured at amortized cost. The classification of financial assets depends on the business model for managing the financial assets and the contractual terms of the cash flows. Financial liabilities are classified as those to be measured at amortized cost unless they are designated as those to be measured subsequently at FVTPL (irrevocable election at the time of recognition). For assets and liabilities measured at fair value, gains and losses are either recorded in net loss or other comprehensive income (loss).

The Company reclassifies financial assets only when its business model for managing those assets changes. Financial liabilities are not reclassified.

Amortized cost

This category includes financial assets that are held within a business model with the objective to hold the financial assets to collect contractual cash flows that meet the sole payments of principal and interest ("SPPI") criterion. Financial assets classified in this category are measured at amortized cost using the effective interest method.

Fair value through profit or loss

This category includes derivative instruments as well as quoted equity instruments which the Company has irrevocably elected, at initial recognition or transition, to classify at FVTPL. This category would also include debt instruments of which the cash flow characteristics fail the solely payments of principal and interest ("SPPI") criterion or are not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell. Financial assets in this category are recorded at fair value with changes recognized in net loss. The Company records its financial liabilities including derivatives, convertible loans and promissory notes at FVTPL. Derivatives are mandatorily recorded at FVTPL, whereas the Company has elected to record convertible loans and promissory notes at FVTPL.

Financial assets at fair value through other comprehensive income

Equity instruments that are not held-for-trading can be irrevocably designated to have their change in fair value recognized through other comprehensive income (loss) instead of through net loss. This election can be made on individual instruments and is not required to be made for the entire class of instruments. Attributable transaction costs are included in the carrying value of the instruments.

Financial assets at fair value through other comprehensive income/(loss) are initially measured at fair value and changes therein are recognized in other comprehensive income/(loss).

Compound financial instrument and derivative liability

The Company determined that the warrants, including public warrants and the private warrants are derivative instruments and should be classified as a financial liability and are measured at FVTPL. Derivative and financial liabilities designated at FVTPL are carried subsequently at fair value with gains or losses recognized in net loss.

Each embedded derivative is measured and presented separately unless the whole hybrid financial instrument is designated as at FVTPL.

Measurement

All financial instruments are required to be measured at fair value on initial recognition, plus, in the case of a financial asset or financial liability not at FVTPL, transaction costs that are directly attributable to the acquisition or issuance of the financial asset or financial liability. Transaction costs of financial assets and financial liabilities carried at FVTPL are expensed in net loss. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payments of principal and interest.

Financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortized cost at the end of the subsequent accounting periods. All other financial assets including equity investments are measured at their fair values at the end of subsequent accounting periods, with any changes taken through net loss or other comprehensive income/(loss) (irrevocable election at the time of recognition). For financial liabilities measured subsequently at FVTPL, changes in fair value are recorded in profit and loss, except where changes in fair value are attributable to changes in own credit risk which is recorded in other comprehensive income.

Under IFRS 9, the Company applies a forward-looking expected credit loss ("ECL") model, at each reporting date, to financial assets measured at amortized cost or those measured at FVOCI, except for investments in equity instruments.

The three-stage approach to recognizing ECL under IFRS 9 is intended to reflect the increase in credit risk of a financial instrument and are:

- Stage 1 is comprised of all financial instruments that have not had a significant increase in credit risk since initial recognition or that have low credit risk at the reporting date. The Company recognizes an

impairment loss for those financial instruments at an amount equal to the twelve-month expected credit loss following the balance sheet date.

- Stage 2 is comprised of all financial instruments that have had a significant increase in credit risk since initial recognition but that do not have objective evidence of a credit loss event. The Company recognizes an impairment loss for those financial instruments at an amount equal to the lifetime expected credit losses.
- Stage 3 is comprised of all financial instruments that have objective evidence of impairment at the reporting date. The Company recognizes an impairment loss for those financial instruments at an amount equal to the lifetime expected credit losses.

Impairment losses are recorded in the consolidated statement of net loss and comprehensive loss with the carrying amount of the financial assets reduced through the use of impairment allowance accounts.

The Company reverses impairment losses on financial assets carried at amortized cost when the decrease in impairment can be objectively related to an event occurring after the impairment loss was initially recognized.

Foreign currency translation

The consolidated financial statements are presented in CAD \$ which is PGI's functional currency. The functional currencies of the operating subsidiaries of the Company are the USD, the AUD \$, the LSL, the ZAR and CAD \$.

In each individual entity, a foreign currency transaction is initially recorded in the functional currency of the entity, by applying the exchange rate between the functional currency and the foreign currency at the date of the transaction.

At the end of the reporting period, monetary assets and liabilities of the Company which are denominated in foreign currencies are translated at the period-end exchange rate. Non-monetary assets and liabilities are translated at rates in effect at the date the assets were acquired, and liabilities incurred.

The resulting exchange gains or losses arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition, are included in profit or loss in the period in which they arise.

For the purpose of presenting these consolidated financial statements, the assets and liabilities of the subsidiary are translated into CAD \$ at the exchange rates prevailing at the end of the reporting period. Income and expenses are translated at the average rates for the period. Reserves and inter-company balances are translated at their historical exchange rate. Exchange differences arising are recognized in foreign currency translation reserve.

Income taxes

Income tax expense consists of current and deferred tax expense. Current and deferred tax are recognized in profit or loss except to the extent that it relates to items recognized directly in equity or other comprehensive income. Current tax is recognized and measured at the amount expected to be recovered from or payable to the taxation authorities based on the income tax rates enacted or substantively enacted at the end of the reporting period and includes any adjustment to taxes payable in respect of previous years. Deferred tax is recognized on any temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable earnings. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized and the liability is settled. The effect of a change in the enacted or substantively enacted tax rates is recognized in net loss and comprehensive loss or in shareholders' equity depending on the item to which the adjustment relates. Deferred tax assets are recognized to the extent future recovery is probable. At each reporting period end, deferred tax assets are reduced to the extent that it is no longer probable that sufficient taxable earnings will be available to allow all or part of the asset to be recovered.

Share capital

Financial instruments issued by PGI are classified as shareholders' equity only to the extent that they do not meet the definition of a financial asset or financial liability. PGI's common shares, warrants, restricted stock units and share options are classified as equity instruments.

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Incremental costs directly attributable to the issuance of new shares are recognized as a deduction from shareholders' equity.

Share-based payments

- Equity-settled share-based payments to directors, officers and employees are measured at the fair value of the equity instruments at the grant date and are recognized as an expense over the relevant vesting periods with a corresponding credit to options reserve or warrants reserve.
- Equity-settled share-based payments to non-employees are measured at the fair value of the goods or services received or the fair value of the equity instruments granted, if it is determined that the fair value of the goods or services received cannot be reliably measured. The fair value of equity-settled share-based payments to non-employees is recorded as an expense at the date the goods or services are received with a corresponding credit to options reserve or warrants reserve.
- The number of equity instruments expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest. After the vesting date, amounts recorded for expired instruments remain in options reserve or warrants reserve.

Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker ("**CODM**"). The CODM is responsible for allocating resources and assessing performance of the operating segments. Management has determined that the Company has only one operating segment.

Property and equipment

Property and equipment are recognized as an asset when:

- it is probable that an associated future economic benefit will flow to the Company; and
- the cost can be measured reliably.

Property and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes costs incurred initially to acquire or construct a capital asset and costs incurred subsequently to add to, replace part of or service it. If a replacement cost is recognized in the carrying amount of a capital asset, the carrying amount of the replaced part is derecognized.

Property and equipment are depreciated on a straight-line basis over their expected useful lives to their estimated residual value. Their useful lives have been assessed as follows:

Asset	Method	Rate
Computer equipment	Straight-line	3 years
Right-of-use assets	Straight-line	20 years
Buildings	Straight-line	10 years
Equipment	Straight-line	3 years
Furniture & fixtures	Straight-line	3 years
Bulk infrastructure	Straight-line	10 years

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate.

The gains or losses arising from the derecognition of a capital asset is included in the consolidated statement of net loss and comprehensive loss when the item is derecognized. The gain or loss arising from the derecognition of a capital asset is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

Intangible assets

Intangible assets are recognized when:

- it is probable that an associated future economic benefit will flow to the Company; and
- the cost can be measured reliably.

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Intangible assets are initially recorded at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and/or impairment losses.

Intangible assets with finite useful lives are amortized on a straight-line basis over their estimated useful lives using the following rates:

Asset	Method	Rate
Website	Straight-line	10 years

The amortization period and the amortization method for intangible assets are reviewed every period end. During the years ended March 31, 2024 and March 31, 2023, the Company did not recognize any impairment losses.

Cash and cash equivalents

Cash and cash equivalents include cash on hand and, when applicable, short-term, highly liquid deposits which are either cashable or with original maturities of less than three months at the date of their acquisition.

Restricted cash

Restricted cash comprises a collateral agreement with a major chartered bank in Canada with regards to a credit card facility against which the Company deposited in a guaranteed investment certificate with the bank.

Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control. Related parties may be individuals or entities. A transaction is considered to be a related party transaction when there is transfer of resources or obligations between related parties.

Impairment of non-financial assets

The carrying amount of the Company's non-financial assets (which include property and equipment and intangible assets) are reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognized in the consolidated statements of net loss and comprehensive loss.

The recoverable amount of assets is the greater of an asset's fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is only reversed to profit or loss if there is an indication that the impairment loss no longer exists and there has been a change in the estimates used to determine the recoverable amount. Any reversal of impairment cannot increase the carrying value of the asset to an amount higher than the carrying amount that would have been determined had no impairment loss been recognized in previous years.

IFRS 16 Leases

The Company assesses whether a contract is or contains a lease, at inception of a contract. The Company recognizes a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognizes the leases as an operating expense on a straight-line basis over the term of the lease.

The Company presents right-of-use assets in “property and equipment” and lease liabilities in “Lease liabilities” in the consolidated statements of financial position.

Lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate. The incremental borrowing rate is defined as the rate of interest that the Company would have to pay to borrow, over a similar term and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made. The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used)
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate

Right-of-use assets

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognized and measured under IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*. The costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

Provisions

Provisions are recognized when the Company has a present obligation, legal or constructive as a result of a previous event, if it is probable that the Company will be required to settle the obligation and a reliable estimate can be made of the obligation. The amount recognized is the best estimate of the expenditure required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligations. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate of the expected future cash flows.

Joint Arrangements

A joint arrangement represents an arrangement where two or more parties hold joint control. Joint control is deemed to exist under contractual agreement where decisions regarding relevant activities of the arrangement require the unanimous consent of those parties sharing control.

A joint venture is a joint arrangement and represents a company or other entity in which each venturer has an interest, holds joint control and holds rights to the net assets of the entity. Interests in joint ventures are accounted for using the equity method of accounting. The Company does not recognize losses exceeding the carrying value of its interest in joint ventures.

Research and development

Expenditures on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, are recognized in the statements of net loss and comprehensive loss as incurred.

Development expenditures are capitalized only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to complete development and has sufficient resources to complete development and to use or sell the asset. Other development expenditures are expensed as incurred. Research and development expenses include all direct and indirect operating expenses supporting the products in development. The costs incurred in establishing and maintaining patents are expensed as incurred.

4. Critical accounting estimates and judgements

The preparation of consolidated financial statements in conformity with IFRS requires management to make certain estimates, judgments and assumptions concerning the future. Actual results may differ from these estimates. The Company's management reviews these estimates, judgments, and assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted prospectively in the period in which the estimates are revised. The following are deemed to be critical accounting policies by management for the years ended March 31, 2024 and March 31, 2023 as these require a high level of subjectivity and judgement and could have a material impact on PGI's consolidated financial statements.

Deferred tax assets

Deferred tax assets, including those arising from un-utilized tax losses, require management to assess the likelihood that the Company will generate sufficient taxable earnings in future periods in order to utilize recognized deferred tax assets. Assumptions about the generation of future taxable profits depend on management's estimates of future cash flows. In addition, future changes in tax laws could limit the ability of the Company to obtain tax deductions in future periods. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realize the net deferred tax assets recorded at the reporting date could be impacted.

Going concern

These Financial Statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations.

Management routinely plans future activities including forecasting future cash flows and forming judgements collectively with directors of the Company.

Judgement is required in determining if the Company's has sufficient cash reserves, together with all other available information, to continue as a going concern for a period of at least twelve months.

As at March 31, 2024 the Company has concluded that a material uncertainty exists that casts significant doubt about the Company's ability to continue as a going concern.

Reverse takeover transaction

The determination of fair values of consideration paid and net assets acquired is subject to significant estimation. The Company treated the RTO Transaction as a capital transaction equivalent to the issue of shares of PBM in exchange for the net monetary assets of NCAC. The Company was the acquiror and NCAC was the acquiree in the RTO Transaction.

The Company has determined the RTO Transaction did not constitute a business combination as defined under IFRS 3, Business Combinations, as NCAC is a non-operating entity that does not meet the definition of a business under IFRS 3. The excess of the consideration paid over the net liability acquired together with any transaction costs incurred for the Transaction is expensed as a listing expense in accordance with IFRS 2 Share-Based Payments. The fair value of the consideration paid was estimated by the closing trading price (\$4.79/share) of the NCAC's common shares listed on the NASDAQ on January 25, 2024.

Control

The Group holds a 37% equity interest in PBM, which has been included in the consolidated financial statements. Despite holding less than a majority share, the Group has concluded that it exercises control over PBM and, therefore, consolidates its financial results. This determination is based on the following key considerations.

The Company has the power to direct the relevant activities of PBM. This power is derived from various sources including, but not limited to, rights arising from contractual arrangements, representation on the board of directors, and involvement in key decision-making processes. The Company is exposed to variable returns from its involvement with PBM. These returns may be in the form of dividends, potential capital appreciation, and other financial benefits resulting from its equity interest. The Company has the ability to use its power over PBM to affect the amount of the investor's returns. This ability is evidenced by the Group's active participation in the strategic and operational decision-making processes of PBM.

The assessment of whether the Company controls PBM involves significant judgement and the use of estimates. Key factors considered in this assessment include:

Board Appointments: The Company has the ability to appoint 3 out of the 5 board members of PBM, giving it significant influence over the subsidiary's decision-making processes.

Management Structure: The management of PBM is substantially the same as that of the parent company, indicating a close integration of operations and strategic direction.

Shareholder Voting Power: The Group is the single largest shareholder, and other shareholders are unlikely to be able to form a larger voting bloc to override the Group's decisions.

Given the complexity and the subjectivity involved in these judgements, any changes in these estimates and assumptions could significantly impact the consolidated financial statements. Management reviews these estimates and assumptions periodically and adjusts them as necessary based on changes in facts and circumstances.

Convertible instruments

The valuation of convertible debt instruments is subject to significant management estimation. Convertible notes are compound financial instruments which have been designated as a FVTPL classification.

The identification of convertible debenture components is based on interpretations of the substance of the contractual arrangement and therefore requires judgment from management. The separation of the components affects the initial recognition of the convertible debenture at issuance and the subsequent remeasurement. As the Company has designated the entire convertible financial instrument as FVTPL

given the embedded derivative liability that was contained by the convertible financial instrument, the debentures have not been separated into debt and derivative components. The determination of the fair value of the instrument used a combined discount cash flow approach and a Monte Carlo simulation.

Contingencies

From time to time, the Company is named as a party to claims or involved in proceedings, including legal, regulatory and tax related, in the ordinary course of its business. While the outcome of these matters may not be estimable at the reporting date, the Company makes provisions, where possible, for the estimated outcome of such claims or proceedings. Should a loss result from the resolution of any claims or proceedings that differs from these estimates, the difference will be accounted for as a charge to profit or loss in that period. The actual results may vary and may cause significant adjustments.

The rebate over the tax claim is subject to inherent uncertainty and could be subject to being denied and clawed back by the Australian Tax office at a future date. The Company expects that a claw back of the rebate is highly unlikely.

Share-based compensation

The Company measures equity settled share-based payments based on their fair value at the grant date and recognize compensation expense over the vesting period based on management's estimate of equity instruments that will eventually vest. The determination of the fair value of stock options using the Black-Scholes option pricing model requires the input of highly subjective assumptions, including the expected price volatility. Changes in the subjective input assumptions could materially affect the fair value estimate. Expected forfeitures are estimated at the date of grant and subsequently adjusted if further information indicates actual forfeitures may vary from the original estimate. The impact of the revision of the original estimate is recognized in profit or loss such that the cumulative expense reflects the revised estimate.

For share-based payments granted to non-employees, the compensation expense is measured at the fair value of the goods and services received except where the fair value cannot be estimated in which case it is measured at the fair value of the equity instruments granted. The fair value of share-based compensation to non-employees is periodically re-measured until counterparty performance is complete, and any change therein is recognized over the period and in the same manner as if cash was paid instead of paying with or using equity instruments.

Inputs when using Black-Scholes valuation model

The estimates used in determining the private warrant fair values, utilizes estimates made by management in determining the appropriate input variables in the Black-Scholes valuation model. Inputs subject to estimates include volatility, estimated lives and market rates.

Income taxes

Provisions for taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxing authorities. Where the outcome of these tax-related matters is different from the amounts that were initially recorded, such differences will affect the tax provisions in the period in which such determination is made.

Government grants

Government grants are recognized when there is reasonable assurance that the Company will comply with the conditions attached to them and the government grants will be received. Grants are recognized as income when they are received. The Company has recognized the government grant received during the period as research and development grants as other income in the consolidated statements of loss and comprehensive loss.

Joint arrangement

The classification of a joint arrangements as either a joint venture or joint operation requires the Company to assess whether the parties to the arrangements hold joint control over the net assets of

the entity or, individually, the rights to the assets and obligations for the liabilities of the entity. This is determined through the exercise of judgement and requires the consideration of various factors including the structure, terms and circumstances of the joint arrangements.

Fair value of Financial Instruments

On issuance of financial instruments, judgement is required to be made in determining the most appropriate valuation model that is dependent on the terms and conditions of the financial instrument issued.

The Company applies an option-pricing model to measure warrants and a discounted cash flow in order to arrive at the relative fair value of the host debt component of compound financial instruments. Application of the option-pricing model requires management to make estimates in respect to dividend yields, expected volatility in the underlying assets, and the expected life of the financial instrument. Application of a discounted cash flow model requires management to estimate the fair market interest rate of the Company, considering market conditions and other internal and external factors. The Company estimates its credit rating and benchmarks the discount rate to certain fixed income indices.

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5. Cash, restricted cash and cash equivalents

Cash and cash equivalents include the following amounts:

- An amount of \$1,058,752 unrestricted cash held with chartered banks and;
- an amount of \$50,123 in a guaranteed investment certificate with a bank as collateral for a credit card facility agreement with a leading chartered bank in Canada. Amounts are held in restricted cash on the consolidated statement of financial position.

6. Other receivables

Other receivables include the following amounts.

	March 31, 2024	March 31, 2023
	\$	\$
Other receivables	14,112	36,642
Sales tax receivable	223,111	208,601
Total	237,223	245,243

The Company estimated the expected credit loss on other receivables to be nominal during the year ended March 31, 2024 and March 31, 2023.

7. Property and equipment

\$	Computer equipment	Buildings	Right-of-use asset	Production equipment	Furniture & fixtures	Bulk infrastructure	Total
<u>Cost</u>							
Opening Balance	9,440	415,740	59,169	15,122	23,091	64,100	586,662
Additions	881	237,814	-	25,399	-	-	264,094
Foreign Exchange	(1,048)	(50,473)	(6,441)	(2,205)	(2,513)	(6,976)	(69,656)
At March 31, 2023	9,273	603,081	52,728	38,316	20,578	57,124	781,100
Additions	9,692	952,318	-	25,449	591	-	980,326
Disposals	-	-	(15,672)	-	(238)	-	(50,072)
Foreign exchange	(558)	(45,250)	(3,167)	(2,595)	(1,287)	(3,567)	(56,187)
At March 31, 2024	18,407	1,510,149	33,889	61,170	19,644	53,557	1,696,816
<u>Accumulated Depreciation</u>							
Opening Balance	4,388	36,756	5,709	5,254	8,478	14,906	75,491
Charge for the year	2,528	55,618	2,838	10,508	7,425	10,831	89,748
Foreign exchange	(533)	(5,223)	(684)	(802)	(1,086)	(1,860)	(10,188)
At March 31, 2023	6,383	87,151	7,863	14,960	14,817	23,877	155,051
Charge for the year	2,871	65,075	2,482	11,531	5,263	8,186	95,408
Disposals	-	-	(9,727)	-	(238)	-	(9,965)
Foreign exchange	(418)	(5,960)	(433)	(1,025)	(965)	(1,557)	(10,358)
At March 31, 2024	8,836	142,266	185	25,466	18,877	30,506	230,136
<u>Carrying Value</u>							
At March 31, 2023	2,890	515,930	44,865	23,356	5,761	33,247	626,049
At March 31, 2024	9,571	1,363,883	33,704	35,704	767	23,051	1,466,680

As at March 31, 2024 amounts totalling \$0 (March 31, 2023 - \$1,906) held in buildings were not yet available for use.

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As of March 31, 2024 amounts totalling \$0 (March 31, 2023 - \$579,043) was recognised in prepaids on the consolidated statement of financial position for a deposit on the purchase of equipment.

8. Intangible assets

The Company acquired a domain name and have commissioned additional improvements, which is recognized under intangible assets at cost and it is carried at the amortized value.

Intangible Assets	\$
<u>Cost:</u>	
Opening Balance	25,212
Additions	-
At March 31, 2023	25,212
Additions	-
At March 31, 2024	25,212
<u>Accumulated Amortization:</u>	
Opening Balance	(2,749)
Charge for the year	(2,521)
At March 31, 2023	(5,270)
Charge for the year	(2,520)
At March 31, 2024	(7,790)
<u>Carrying amount:</u>	
At March 31, 2023	19,942
At March 31, 2024	17,422

9. Investment in Joint Venture

Good Psyence (Pty) Ltd.

On April 7, 2021, the Company through PBC entered into a subscription and shareholders agreement (the “**Joint Arrangement**”) with Goodleaf, whereby the Company and Goodleaf each acquired a 50% share and voting rights in a South African-based SPV called “Good Psyence (Pty) Ltd” incorporated on May 5, 2021. The 50% stake was acquired in exchange for an initial investment of ZAR 50 (\$4) from each party.

The investment in Good Psyence was accounted for as of the effective date of incorporation on May 5, 2021 as a joint venture as the subscription and shareholders agreement establishing joint control was effective from that date.

Under the terms of the Joint Arrangement, each party also agreed to extend an initial ZAR 499,950 (\$43,136) to Good Psyence through a non-interest-bearing loan that is due and payable on demand. This loan was provided by way of cash for the Company and by way of services for Goodleaf.

During the year ended March 31, 2022, the Company extended an additional ZAR 750,000 (\$63,905) to Good Psyence under the same terms as the initial loan described above. During the year ended March 31, 2023, amounts were further increased by ZAR 500,000 (\$40,253) and \$125,843 under the same terms.

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As of March 31, 2024, a total of \$273,137 (March 31, 2023: \$273,137) has been extended to Good Psyence by the Company. During the year, Good Psyence refunded \$8,101 of the loan to the Company. Due to the level of uncertainty associated with the Company's ability to recover its non-interest-bearing loans extended to Good Psyence in the short-term, the total amounts outstanding of \$265,036 (March 31, 2023 - \$220,053) have been deemed to form part of the Company's net investment in the joint venture, equal to the Company's shares of losses exceeding the initial equity investment. The remainder of the loan as at March 31, 2024 has been fully impaired due to the uncertainty of the recoverability of the loan.

Summarized financial information of Good Psyence is presented below, on a 100% basis:

Selected information as at	March 31, 2024 \$	March 31, 2023 \$
Total assets	35,818	222,795
Total liabilities	486,708	662,901
Net deficit	450,887	440,106

For the year ended	March 31, 2024 \$	March 31, 2023 \$
Revenues	40,166	95,954
Cost of Sales	(34,960)	(67,169)
Administrative expenses	(43,776)	(323,389)
Other Comprehensive (Loss)/Income	307	25,066
Net loss and comprehensive loss	(38,263)	(269,538)

During the year ended March 31, 2024, the Company recognized amounts totaling \$19,131 (March 31, 2023: \$134,769) in the consolidated statements of net loss and comprehensive loss related to the Company's share of loss from the joint venture. However these losses were reversed as the loan to the joint venture was fully impaired. As at March 31, 2024, the loan receivable balance held in loan to joint venture on the consolidated statements of financial position totaled \$nil (March 31, 2023: \$nil) after recording an impairment of \$27,232 (March 31, 2023: \$53,081) in the consolidated statements of loss and comprehensive loss.

10. Accounts payable and accrued liabilities

Accounts payable and accrued liabilities include the following amounts:

	March 31, 2024 \$	March 31, 2023 \$
Trade payables	926,122	2,051,534
Accrued liabilities	296,498	568,675
Provisions	254,518	-
Total	1,477,138	2,620,209

For the year ended March 31, 2024 the Company recognized total provisions amounting to \$254,518. Of this total, \$83,869 has been allocated for amounts payable to advisors. The remaining balance of \$170,649 has been set aside for audit fees. These provisions reflect the Company's obligation to settle these amounts in the future. The provisions are based on the best estimate of the expenditures required to settle the present obligations at the reporting date.

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11. Share capital

Authorized share capital

Unlimited number of voting common shares without par value.

Issued and outstanding

Common shares	2024		2023	
	Number	Amount (\$)	Number	Amount (\$)
Opening balance April 1	123,954,188	20,400,055	85,528,931	16,023,565
Issuance of shares in private placement	10,188,215	1,054,647	25,351,701	3,042,203
Issuance of shares for RSUs exercise	978,570	114,871	828,375	102,840
Issuance of shares for debt settlement	3,985,253	120,018	1,186,134	136,405
Shares issued on conversion of convertible debt	-	-	11,059,047	1,103,709
Share issuance costs	-	(27,539)	-	(8,667)
Balance as at March 31,	139,106,226	21,662,052	123,954,188	20,400,055

Common shares

Private placements

On December 14, 2022 the Company issued 7,751,859 shares with a subscription price of \$0.12 in a private placement. The Company received proceeds of \$930,223.

On March 3, 2023 the Company issued 8,556,804 shares with a subscription price of \$0.12 in a private placement. The Company received proceeds of \$1,026,816.

On March 31, 2023 the Company issued 9,043,038 shares with a subscription price of \$0.12 in a private placement. The Company received proceeds of \$1,085,164, \$36,000 of which is included in other receivables on the consolidated statement of financial position as at March 31, 2023.

In relation to the private placements aforementioned, the Company incurred share issuance costs of \$8,667 for the year ended March 31, 2023. The share issuance costs were comprised of \$8,667 of cash settled issuance costs.

On May 25, 2023 the Company issued 7,775,964 units with a subscription price of \$0.12 in a private placement. The Company received proceeds of \$933,116. Each unit comprises one (1) common share and one-half (0.5) of a common share purchase warrant, with each whole warrant exercisable into an additional common share of the Company at a price of \$0.15 per common share for a period of 18 months from the date of grant.

The fair value of the shares was determined by allocating the gross proceeds to common shares and share purchase warrants using the relative fair market value method of each at the time of the issuance. The relative fair value of the shares was determined using the share price on the date of issuance and the relative fair value of the warrants was determined in accordance with the Black-Scholes valuation model. The fair value of the shares was determined to be \$765,177. The fair value of the warrants was determined to be \$167,939.

On August 21, 2023 the Company issued 1,056,441 shares with a subscription price of \$0.12 in a private placement. The Company received proceeds of \$126,773.

On October 30, 2023 the Company issued 1,355,810 shares with a subscription price of \$0.12 in a private placement. The Company received proceeds of \$162,697.

In relation to the private placements aforementioned, the Company incurred share issuance costs of \$27,539. The share issuance costs were comprised of \$25,416 of cash settled issuance costs and \$2,123 in equity settled issuance costs.

RSU exercise

On December 14, 2022 the Company issued 372,900 shares for the exercise of RSU's by various consultants of the Company. Upon exercise, amounts totalling \$37,290 was transferred from

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contributed surplus to share capital, determined by reference to the original fair value of the RSU's determined on the date of grant.

On January 16, 2023 the Company issued 455,475 shares for the exercise of RSU's by an employee of the Company. Upon exercise, amounts totalling \$65,550 was transferred from contributed surplus to share capital, determined by reference to the original fair value of the RSU's determined on the date of grant.

On August 21, 2023 the Company issued 483,570 shares for the exercise of RSU's by various consultants and an employee of the Company. Upon exercise, amounts totalling \$65,371 was transferred from contributed surplus to share capital, determined by reference to the original fair value of the RS's determined on the date of grant.

On October 30, 2023 the Company issued 495,000 shares for the exercise of RSU's by various consultants and an employee of the Company. Upon exercise, amounts totalling \$49,500 was transferred from contributed surplus to share capital, determined by reference to the original fair value of the RS's determined on the date of grant.

Debt settlement

On December 14, 2022 the Company issued 1,186,134 shares in settlement of debt in lieu of consulting fees to the value of \$142,336. The shares issued were determined to have a fair value equal to \$136,405 by reference to the trading price of the Company's shares on the date of settlement, resulting in a gain on settlement of debt totalling \$5,931 recognized in the consolidated statements of loss and comprehensive loss for the year ended March 31, 2023.

On August 21, 2023 the Company issued 17,691 shares in settlement of debt to the value of \$2,123.

On October 30, 2023 the Company issued 2,299,518 shares in settlement of debt in lieu of an asset purchase to the value of \$275,942. The shares issued were determined to have a fair value equal to \$34,493 by reference to the trading price of the Company's shares on the date of settlement, resulting in a gain on settlement of debt totalling \$241,449 recognized in the consolidated statements of loss and comprehensive loss for the year ended March 31, 2024.

On March 11, 2024 the Company issued 1,668,044 shares debt in lieu of consulting fees to the value of \$60,550. The shares issued were determined to have a fair value equal to \$83,402 by reference to the trading price of the Company's shares on the date of settlement, resulting in a loss on settlement of debt totalling \$22,852 recognized in the consolidated statements of loss and comprehensive loss for the year ended March 31, 2024.

Convertible debt

On March 31, 2023 the Company issued 11,059,047 shares upon conversion of its outstanding convertible debt note. See Note 24 for details.

Stock Options

The changes in stock options outstanding during the years ended March 31, 2024 and March 31, 2023 are as follows:

	Year ended March 31, 2024	
	Number of options	Weighted average exercise price (\$)
Outstanding, at beginning of year	9,555,825	0.30
Granted (i)(ii)(iii)(iv)	6,254,043	0.06
Cancelled / forfeited (v)	(9,750,825)	0.13
Options outstanding, ending	6,059,043	0.09
Options exercisable, ending	5,920,154	0.09

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	Year ended March 31, 2023	
	Number of options	Weighted average exercise price (\$)
Outstanding, at beginning of year	7,958,583	0.30
Granted (vi)(vii)(viii)	3,380,901	0.15
Cancelled / forfeited (ix)	(1,783,659)	0.30
Options outstanding, ending	9,555,825	0.25
Options exercisable, ending	4,669,349	0.27

- (i) On May 25, 2023, the Company granted 150,000 options to a director of the Company with each option exercisable into one common share of the Company at a price of \$0.14 per share until March 31 2028. Options are to vest 50% at the date of grant and 50% 6 months from the date of grant. The fair value of the options was determined to be \$14,504 on the date of grant using the Black-Scholes option pricing model.
- (ii) On November 14, 2023, the Company granted 3,887,377 options to consultants and employees of the Company with each option exercisable into one common share of the Company at a price of \$0.06 per share until December 31, 2025. Options are to vest at the grant date. The fair value of the options was determined to be \$99,653 on the date of grant using the Black-Scholes option pricing model.
- (iii) On November 14, 2023, the Company granted 1,800,000 options to an employee of the Company with each option exercisable into one common share of the Company at a price of \$0.06 per share until December 31, 2025. Options are to vest 67% at the date of grant and 33% on July 1, 2024. The fair value of the options was determined to be \$50,948 on the date of grant using the Black-Scholes option pricing model.
- (iv) On November 14, 2023, the Company granted 416,666 options to a consultant of the Company with each option exercisable into one common share of the Company at a price of \$0.06 per share until December 31, 2027. Options are to vest one third at the date of grant, one third on February 1, 2024 and one third on February 1, 2025. The fair value of the options was determined to be \$13,578 on the date of grant using the Black-Scholes option pricing model.
- (v) During the year ended March 31, 2024, a total of 4,063,448 options were forfeited due to the termination of services from consultants of the Company and a total of 5,687,377 options were cancelled by mutual consent with consultants of the Company. In connection with the options forfeited and cancelled, previous share-based payment expenses totaling \$1,336 were reversed and accelerated under professional fees and consulting fees and general and administrative expenses in the condensed consolidated interim statements of net loss and comprehensive loss.
- (vi) On May 1, 2022, the Company granted 220,000 options to a consultant of the Company with each option exercisable into one common share of the Company at a price of \$0.20 per share until April 30, 2027. Options are to vest 17% 3 months from the date of grant, 17% 12 months from the date of grant, 33% 24 months from the date of grant and 33% 36 months from the date of grant. The fair value of the options was determined to be \$11,846 on the date of grant using the Black-Scholes option pricing model.
- (vii) On January 31, 2023, the Company granted 1,220,901 options to a consultant of the Company with each option exercisable into one common share of the Company at a price of \$0.17 per share until January 31, 2026. Options are to vest 33% 12 months from the

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date of grant, 33% 24 months from the date of grant and 34% 35 months from the date of grant. The fair value of the options was determined to be \$101,700 on the date of grant using the Black-Scholes option pricing model.

- (viii) On March 31, 2023, the Company granted 1,940,000 options to consultants, executives and directors of the Company with each option exercisable into one common share of the Company at a price of \$0.14 per share until March 31, 2028. Options are to vest 50% at the date of grant and 50% 6 months from the date of grant. The fair value of the options was determined to be \$188,140 on the date of grant using the Black-Scholes option pricing model.
- (ix) During the year ended March 31, 2023, a total of 1,783,659 options were forfeited due to the termination of services from various employees and consultants of the Company. In connection with the options forfeited, previous share-based payment expenses totaling \$58,338 were reversed under professional fees and consulting fees in the consolidated statements of net loss and comprehensive loss.

The following stock options are outstanding at March 31, 2024:

Expiry date	Number of options outstanding	Exercise price \$	Weight average remaining life (years)	Number of options exercisable
December 31, 2025	200,000	0.30	1.75	200,000
December 31, 2025	3,887,377	0.06	1.75	3,887,377
December 31, 2027	416,666	0.06	2.75	277,777
March 31, 2028	1,405,000	0.14	4.00	1,405,000
May 25, 2028	150,000	0.14	4.15	150,000
	6,059,043		2.70	5,920,154

The fair value of the options was determined at the grant date based on the Black-Scholes pricing model, using the following assumptions:

	Options granted on November 14, 2023	Options granted on November 14, 2023	Options granted on November 14, 2023	Options granted on May 25, 2023
Numbers issued	3,887,377	1,800,000	416,666	150,000
Share price	0.05	0.05	0.05	0.13
Expected dividend yield	Nil	Nil	Nil	Nil
Exercise price	0.06	0.06	0.06	0.14
Risk-free interest rate	4.39%	4.22%	3.76%	3.52%
Expected life	2.13	2.63	4.13	5.00
Expected volatility	100%	100%	100%	100%
Expiry date	December 31, 2025	June 30, 2026	December 31, 2027	May 25, 2028

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	Options granted on May 1, 2022	Options granted on January 31, 2023	Options granted on March 31, 2023
Numbers issued	220,000	1,220,901	1,940,000
Share price	0.085	0.14	0.13
Expected dividend yield	Nil	Nil	Nil
Exercise price	0.20	0.17	0.14
Risk-free interest rate	2.79%	3.29%	2.92%
Expected life	5.00	3.00	5.00
Expected volatility	100%	100%	100%
Expiry date	April 30, 2027	January 31, 2026	March 31, 2028

During the year ended March 31, 2024, \$340,703 (March 31, 2023 - \$280,727) was expensed and recorded as share-based payments under professional fees and consulting fees and general and administrative in the consolidated statements of net loss and comprehensive loss based on the vesting terms and forfeiture of the options.

Warrants

The changes in warrants outstanding during the years ended March 31, 2024 and March 31, 2023 are as follows:

	Year ended March 31, 2024	
	Number of warrants	Weighted average exercise price (\$)
Outstanding, at beginning of year	10,714,689	0.30
Granted	3,887,982	0.15
Expired	(8,592,598)	0.30
Warrants outstanding, ending	6,010,073	0.20
Warrants exercisable, ending	6,010,073	0.20

	Year ended March 31, 2023	
	Number of warrants	Weighted average exercise price (\$)
Outstanding, at beginning of year	8,710,553	0.30
Granted (Note 24)	2,122,091	0.30
Expired	(117,955)	0.33
Warrants outstanding, ending	10,714,689	0.30
Warrants exercisable, ending	10,714,689	0.30

On May 25, 2023 the Company issued 3,887,982 warrants in a private placement. The fair value was determined to be \$167,939 using a relative fair value method. The assumptions used in the Black-Scholes calculation were as follows: Expected dividend yield – Nil; Exercise Price \$0.15; Risk free interest rate – 2.45%; Expected life – 1.5 years and expected volatility of 100%.

On December 31, 2023, 8,592,598 warrants expired unexercised. The warrants were granted on December 31, 2020.

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On January 15, 2023, 117,955 warrants expired unexercised. The warrants were granted on January 15, 2021.

The following warrants are outstanding as at March 31, 2024:

Expiry date	Number of warrants outstanding	Exercise price (\$)	Weight average remaining life (years)
September 2, 2024	2,122,091	0.30	0.43
November 25, 2024	3,887,982	0.15	0.65
	6,010,073		0.57

Restricted stock units (RSUs)

The changes in RSUs outstanding during the years ended March 31, 2024 and March 31, 2023 are as follows:

	Year ended March 31, 2024
	Number of RSUs
Outstanding, at beginning of year	5,907,141
Exercised during year	(978,570)
Cancelled during year (i)	(1,769,370)
RSUs outstanding, ending	3,159,200
RSUs exercisable, ending	924,996

	Year ended March 31, 2023
	Number of RSUs
Outstanding, at beginning of year	980,516
Issued during the year (ii)(iii)(iv)	5,755,000
Exercised during year	(828,375)
RSUs outstanding, ending	5,907,141
RSUs exercisable, ending	-

- (i) During the year ended March 31, 2024, a total of 1,769,370 RSUs were forfeited due to the termination of services from consultants and an employee of the Company. In connection with the RSUs forfeited and cancelled, previous share-based payment expenses totaling \$148,635 were reversed under professional fees and consulting fees and general and administrative expenses in the condensed consolidated interim statements of net loss and comprehensive loss.
- (ii) On September 1, 2022, the Company issued 1,500,000 RSUs to executives, directors, consultants and an employee which are exercisable into common shares of the Company at no additional cost and are to vest as follows:
- 495,000 exercisable on September 1, 2022
 - 495,000 exercisable on September 1, 2023;
 - 510,000 exercisable on September 1, 2024.

The fair value of the RSUs was determined to be \$150,000 based on the fair value of the Company's common shares on the date of the grant. Upon exercise, the Company shall settle RSUs by way of common shares, with one (1) common share issued for every one (1) RSU exercised.

- (iii) On May 1, 2022, the Company issued 480,000 RSUs to a consultant which are exercisable into common shares of the Company at no additional cost and are to vest as follows:

- 160,000 exercisable on May 1, 2023
- 160,000 exercisable on May 1, 2024;
- 160,000 exercisable on May 1, 2025.

The fair value of the RSUs was determined to be \$40,800 based on the fair value of the Company's common shares on the date of the grant. Upon exercise, the Company shall settle RSUs by way of common shares, with one (1) common share issued for every one (1) RSU exercised.

- (iv) On March 31, 2023 the Company issued 3,775,000 RSUs to consultants and an employee which are exercisable into common shares of the Company at no additional cost and are to vest as follows:

- 1,258,333 exercisable on March 31, 2024
- 1,258,333 exercisable on March 31, 2025;
- 1,258,334 exercisable on March 31, 2026.

The fair value of the RSUs was determined to be \$490,750 based on the fair value of the Company's common shares on the date of the grant. Upon exercise, the Company shall settle RSUs by way of common shares, with one (1) common share issued for every one (1) RSU exercised.

The RSUs granted are accounted for as an equity instrument whereby share-based payments recognized in the consolidated statements of net loss and comprehensive loss are held in options reserve until exercised.

During the year ended March 31, 2024, \$225,580 (March 31, 2023 - \$168,711) was expensed and recorded as share-based payments under professional fees and consulting fees and general and administrative in the consolidated statements of net loss and comprehensive loss on the vesting of RSUs.

12. Listing expense

On January 25, 2024 the Company's subsidiary PBM completed the RTO Transaction (See Note 1). As disclosed in Note 4, the RTO Transaction did not constitute a business combination as defined under IFRS 3, Business Combinations, as NCAC is a non-operating entity that does not meet the definition of a business under IFRS 3. The excess of the consideration paid over the net liability acquired together with any transaction costs incurred for the Transaction is expensed as a listing expense in accordance with IFRS 2 Share-Based Payments. The fair value of the consideration paid was determined by the closing trading price (CAD \$6.46/share based on \$USD \$4.79/share) of the NCAC's common shares listed on the NASDAQ on January 25, 2024.

Accordingly, upon consummation of the BCA the Company subsidiary PBM issued 7,794,659 common shares in exchange for the outstanding ordinary shares held by NCAC stockholders.

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The calculation of listing expenses is as follows:

	Listing Expense
Consideration paid:	
Shares issued to NCAC shareholders	7,794,659
Total consideration shares issued	7,794,659
Fair value of the common shares	\$ 6.46
Deemed consideration amount for the common shares issued	\$ 50,353,497
Net identifiable liabilities acquired:	
Cash and cash equivalent	\$ 274
Accounts payable and accrued liabilities	\$ (2,881,447)
NCAC promissory note (Note 14)	\$ (1,906,389)
Derivative warrant liabilities (Note 17)	\$ (802,493)
Net liabilities acquired	\$ 5,590,055
Listing expense	\$ 55,943,552

The listing expense has been included in the consolidated statements of net loss and comprehensive loss.

Transaction expenses included in the consolidated statements of net loss and comprehensive loss are others costs of \$2,529,275 in connection with the RTO Transaction composed of legal, banking and professional fees. Transaction expenses include an amount incurred between PGI and PBM of \$855,569 which is eliminated upon consolidation.

Some payments to brokers and advisors were in the Company's subsidiary's shares upon RTO at the closing trading price on January 25, 2024.

Payments to advisors of NCAC was settled in the Company's subsidiary PBM's common shares upon RTO at the closing price. Accounts payable of \$2,881,447 acquired from NCAC as part of the RTO transaction was settled through the issuance of 446,000 PBM shares at a fair value of \$6.46 per share on January 25, 2024.

An amount of \$1,348,673 owing by the Company for services provided in relation to the RTO transaction was settled through the issuance of 150,000 PBM's common shares at a fair value of \$6.46. A gain on settlement of debt of \$379,652 was included in the consolidated statements of net loss and comprehensive loss relating to this advisor settlement.

13. Non-controlling interest (NCI)

On January 25, 2024, the Company completed a transaction to list its subsidiary, PBM, on the NASDAQ. Following the transaction, the Company exchanged its shares in its subsidiaries performing clinical trials for 5,000,000 shares in the newly listed Psyence Biomedical Ltd, representing a 37% ownership stake. Despite this, the Company retained control over Psyence Biomedical Ltd.

Initial Consideration for NCI:

The initial consideration for the non-controlling interest, as described in Note 12, was \$54,203,657, (7,794,659 shares to NCAC shareholders and 596,000 shares to advisors at a fair value of \$6.46. The historic net liabilities were transferred to NCI.

Disposal of Net Liabilities:

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As of the transaction date, the Company disposed of historic net liabilities amounting to \$2,775,945. The fair value of the net liabilities acquired in Psyence Biomedical Ltd was \$2,211,915. The difference between these figures \$564,030 has been recognized in the statement of changes in equity.

Non-Controlling Interest:

As a result of the transaction, non-controlling shareholders hold a 63% interest in Psyence Biomedical Ltd. During the year, the share of losses attributable to non-controlling shareholders was \$41,591,243. This figure has been recognized in the consolidated financial statements and impacts the equity attributable to non-controlling interest.

14. NCAC Promissory Note

On January 25, 2024, NCAC issued an unsecured convertible promissory note, prior to the closing of the RTO, to the NCAC Sponsor (the “**NCAC Replacement Note**”), in the principal amount of USD \$1,615,501, which is equal to the total amount owed to Sponsor under certain existing promissory notes previously issued by NCAC to the Sponsor (the “Existing Notes”). The NCAC Replacement Note bears no interest, and (i) USD \$100,000 of the principal balance of the NCAC Replacement Note became owing on the date of the Closing and (ii) USD \$1,515,501 of the principal balance of the NCAC Replacement Note will be payable on the date that is the one-year anniversary after the Business Combination, or January 25, 2025. As at March 31, 2024 the Company’s subsidiary PBM had not made payment of the USD \$100,000 owing to the NCAC Sponsor. This note is convertible into shares of PBM at the option of NCAC Sponsor. The conversion price will be mutually agreed upon. Given that the conversion price is not fixed, the conversion feature has been determined to be an embedded derivative and thus the entire instrument has been designated as FVTPL.

The NCAC Replacement Note upon initial recognition at fair value was \$1,915,716. At year end the fair value of the NCAC Replacement Note was \$1,997,617. A fair value loss of \$81,901 was included in the consolidated statements of net loss and comprehensive loss relating to the NCAC Replacement Note.

The fair value of the note was calculated using a credit adjusted market borrowing rate.

15. Other income

The Company received a research and development rebate of AUD \$1,336,622 (\$1,185,719) from the Australian Taxation office. The Company benefits from the Australian Federal Government’s Research & Development tax incentive program, which provides up to a 43.5% rebate on research and development expenses in Australia.

This rebate represents a government grant aimed at supporting research and development activities. Therefore, in accordance with International Financial Reporting Standards (IFRS), the grant is recognized as income when there is a reasonable assurance that the grant will be received and that the Company will comply with the conditions attached to it. These conditions were satisfied when the Company received the rebate on October 5, 2023.

On August 21, 2023 the Company entered into a loan agreement via its Australian subsidiary Psyence Australia (Pty) Ltd (the “**Borrower**”), to borrow up to AUD \$1,100,000 by way of a secured loan from RH Capital Finance Co., LLC. The Loan is secured by way of a General Security Agreement and company guarantee against the assets of the Borrower and the Company.

The loan was granted to the Borrower after it successfully registered its research and development activities with the Australian Federal Government. The Borrower benefits from the Australian Federal Government’s Research & Development tax incentive program, which provides up to a 43.5% rebate on research and development expenses in Australia. The Loan bears interest at 16% per annum subject to a minimum interest chargeable period of 91 days and is repayable at the earlier of: (a) 21 business days after the notice of assessment (in respect of R&D refunds) is issued by the Australian Taxation Office to the Borrower for the financial year ended June 30, 2023 (b) an event of default and (c) 30 November 2023.

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The loan with RH Capital Finance Co., LLC was repaid in full on October 5, 2023 when the Company received the research and development rebate from the Australian Taxation office, which was utilized to settle the loan payable.

\$40,045 (March 31, 2023 - \$nil) in interest expense was incurred during the year ended March 31, 2024, on this loan. The loan and all outstanding interest was repaid.

16. Convertible note liability

On January 15, 2024, in connection with the RTO Transaction (Note 12), the Company's subsidiaries: PBM and Psyence Biomed II entered into the Securities Purchase Agreement with the Investors and the NCAC Sponsor, relating to up to four senior secured convertible notes obligations under which are guaranteed by certain assets of PBM and Psyence Biomed II, issuable to the Investors at or after the Closing, as the case may be, for the aggregate principal amount of up to USD \$12,500,000 in exchange for up to USD \$10,000,000 in cash subscription amounts (the "**Convertible Note Financing**").

The First Tranche Notes, for an aggregate of USD \$3,125,000 principal, were delivered by PBM to the Investors on January 25, 2024, in exchange for an aggregate of USD \$2,500,000 in financing, which occurred substantially concurrently with the consummation of the RTO Transaction. On the original issuance date of the First Tranche Notes, interest began accruing at 8.0% per annum based on the outstanding principal amount of the First Tranche Notes and is payable monthly in arrears in cash or in common shares of PBM at the Conversion Price (as defined below). The maturity date of the First Tranche Note is January 25, 2027.

The price at which the Investors can convert the outstanding principal and interest to the common shares (the "Conversion Price") is determined as follows: The initial Conversion Price of the First Tranche Notes was \$10.00; provided, however, that such Conversion Price is subject to certain adjustments according to the terms and reset dates included in the First Tranche Notes and may be reduced to a Conversion Floor of \$1.00, until the First Reset Date (5 days prior the initial Registration Statement is effective), then to \$0.50 on the Second Reset Date (3-month anniversary of Closing Date) and no floor thereafter. The Conversion Price is the lowest volume-weighted average price ("**VWAP**") of the shares up until conversion date subject to the conversion floor.

PBM is obligated to make a Make Whole Payment to Investors within thirty-five (35) Trading Days following a Conversion Date if the thirty (30) Day VWAP, starting from the first Trading Date after the conversion, is lower than the Conversion Price. The Make Whole Payment can be made in either cash or Common Shares, at the Company's discretion, subject to certain conditions.

If PBM elects to settle the Make Whole Payment in Common Shares, it will transfer to the Holder the number of Common Shares (the "Make Whole Shares") calculated as the difference between (A) the principal amount converted on the Conversion Date divided by the 30 Day VWAP, and (B) the principal amount converted divided by the Conversion Price on the Conversion Date. Alternatively, if PBM chooses to pay in cash, the payment will equal the number of Make Whole Shares multiplied by the 30 Day VWAP.

Total proceeds received were USD \$2,500,000. The Company has designated the entire instrument as FVTPL instrument. The fair value of the convertible notes was estimated using a combined discounted cash flow approach and Monte Carlo simulation with the following assumptions as of March 31, 2024.

	Inputs
Share price	USD \$1.14
Note principal amount	USD \$3,125,000
Prepayment Amount	130%
Discount rate shares	4.43%
Discount rate cash	20.83%
Volatility annual	100%
Volatility daily	6.30%
Risk free annual	4.43%

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The fair value was calculated to be \$10,375,773 as of March 31, 2024. A fair value loss was recognized of \$6,955,644 during the year end March 31, 2024 (\$nil, March 31, 2023).

17. Derivative warrant liabilities

Prior to the RTO Transaction, NCAC had two classes of warrants outstanding, which were assumed by PBM upon completion of the RTO Transaction.

Public Warrants: which had resulted from NCAC's initial public offering (the "**NCAC IPO**") and entitled to registration on the Form F-4 filed in connection with the RTO Transaction. These warrants were listed on Nasdaq Capital Market under the symbol "PBMWW".

Private Warrants: which had resulted from NCAC's private placement prior to the NCAC IPO.

As at the Closing Date and March 31, 2024, there were 13,070,000 warrants issued and outstanding, comprised of 12,500,000 Public Warrants and 570,000 Private Warrants. Each warrant is exercisable to purchase one common share at a price of USD \$11.50 per share. As a result of the potential cashless exercise feature included within the indenture of the warrants, the Company has classified the warrants as a liability measured at fair value through profit or loss as they failed to meet the "fixed-for-fixed" requirements prescribed by IAS 32 – *Financial Instruments: presentation*.

Since the Public Warrants are traded on Nasdaq, their price is observable. The Company valued the Public Warrants using the closing price of PBMWW to measure their fair value.

The Company utilizes a Black-Scholes options valuation model to value the private warrants at each reporting period, with changes in fair value recognized in the statement of net loss and comprehensive loss. The estimated fair value of the warrant liability is determined using Level 2 inputs. Inherent in a Black-Scholes pricing model are assumptions related to expected volatility of the Public Warrants, expected life, risk-free interest rate and dividend yield. The Company estimates the volatility of its ordinary shares based on industry historical volatility that matches the expected remaining life of the warrants. The risk-free interest rate is based on the U.S. Treasury zero-coupon yield curve on the grant date for a maturity similar to the expected remaining life of the warrants. The expected life of the warrants is assumed to be equivalent to their remaining contractual term. The dividend rate is based on the historical rate, which the Company anticipates remaining at zero.

The following table provides quantitative information regarding Level 2 fair value measurements at March 31, 2024:

	Warrant Inputs at January 25, 2024	Warrant Inputs at March 31, 2024
Share price	USD \$4.79	USD \$1.14
Expected dividend yield	Nil	Nil
Exercise price	USD \$11.50	USD \$11.50
Risk-free interest rate	4.01%	4.21%
Expected life	5.00	5.00
Expected volatility	17.67%	59.98%
Expiry date	January 25, 2029	January 25, 2029

At March 31, 2024 the fair value of the Public and Private Warrants was \$1,185,625 (USD \$0.07/warrant) (January 25, 2024 - \$767,585) and \$36,054 (USD \$0.4668/warrant) (January 25, 2024 - \$36,054), respectively. A fair value loss of \$413,031 was recognized on the statement of net loss and comprehensive loss.

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Warrant transactions and the number of warrants outstanding in the Company's subsidiary PBM are summarized as follows:

	Public Warrants		Private Warrants	
	Number of Warrants	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price
Balance, March 31, 2023	-	USD \$ -	-	USD \$ -
Issued	12,500,000	11.50	570,000	11.50
Balance, March 31, 2024	12,500,000	\$ 11.50	570,000	\$ 11.50

The following warrants were outstanding and exercisable in the Company's subsidiary PBM at March 31, 2024:

Issue Date	Expiry Date	Exercise Price	Number of Warrants Outstanding	Number of Warrants Exercisable
January 25, 2024	January 25, 2029	USD \$11.50	13,070,000	13,070,000
Balance, March 31, 2024		USD \$11.50	13,070,000	13,070,000

18. Segmented information

For the year ended March 31, 2024 management determined that the Company operated in two segments: clinical trial activities and non-clinical trial activities.

The following is an analysis of non-current assets by geographical location:

Asset location (\$)	March 31, 2024	March 31, 2023
Canada	17,422	19,942
United States of America	7,435	-
Southern Africa (Lesotho and South Africa)	1,459,244	1,205,092
Non-current segment assets	1,484,101	1,225,034

The following is segment analysis of clinical trials vs non-clinical trials:

Asset location (\$)	Clinical Trials	Non-clinical trials	Total
Segment Assets			
Cash & cash equivalents	993,470	65,282	1,058,752
Restricted cash	40,123	10,000	50,123
Other receivables	56,567	180,657	237,223
Prepays	436,480	5,788	442,268
PP&E	7,435	1,459,244	1,466,680
Intangible assets	-	17,422	17,422
Segment liabilities			
Accounts payable and other liabilities	(1,023,299)	(453,840)	(1,477,138)
Right of use asset - lease liability	-	(33,848)	(33,848)
Loans payable	(10,375,773)	-	(10,375,773)
NCAC promissory note	(1,997,617)	-	(1,997,617)
Derivative warrant liabilities	(1,221,678)	-	(1,221,678)

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Expenses

Sales & marketing	(108,708)	(43,454)	(152,162)
Research & development	(1,287,229)	(292,024)	(1,579,253)
General & administrative	(752,421)	(380,259)	(1,132,680)
Professional fees & consulting fees	(1,562,414)	(735,536)	(2,297,951)
Depreciation & amortization	(324)	(97,605)	(97,929)
Other income	1,185,719	6,088	1,191,807
Interest income	2,878	694	3,572
Interest expense	(71,388)	-	(71,388)
Interest expense on right-of-use asset	-	(1,238)	(1,238)
Foreign exchange gain (loss)	(3,636)	12,600	8,964
Gain / (loss) of joint venture	-	(19,131)	(19,131)
Loss on impairment of loan to JV	-	27,232	27,232
Gain on settlement of debt	379,652	218,597	598,249
Transaction expense	(58,472,827)	-	(58,472,827)
Fair value gain	(7,450,576)	-	(7,450,576)

19. Transactions with related parties

All related party transactions are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties. All amounts either due from or due to related parties other than specifically disclosed are non-interest bearing, unsecured and have no fixed terms of repayments. The Company incurred the following transactions with related parties during the year ended March 31, 2024 and March 31, 2023:

Compensation to key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel include the Company's executive officers and Board of Directors.

Key Management Personnel	March 31, 2024	March 31, 2023
Short term benefits	574,831	1,178,352
Share-based compensation	387,687	366,997
Total	962,518	1,545,349

Short term benefits consist of consulting fees, payroll and other benefits paid to key management personnel.

Balances

As at March 31, 2024, the Company held amounts totaling \$nil and \$nil (March 31, 2023 - \$nil and \$nil) in loan to joint venture and other receivables respectively. These amounts consisted of the loan to the joint venture Good Psyence and other short-term receivables.

As at March 31, 2024, the Company held amounts totaling \$28,111 (March 31, 2023 - \$22,881) in accounts payable and accrued liabilities. These are amounts owing to key management personnel.

20. Financial instruments and financial risk management

In the normal course of business, the Company is exposed to a variety of financial risks: credit risk, liquidity risk, foreign exchange risk and interest rate risk. These financial risks are subject to normal credit standards, financial controls, risk management as well as monitoring. The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

Credit risk

Credit risk arises from cash and cash equivalents, restricted cash, other receivables and loan to joint venture. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses on financial assets. The Company minimizes the credit risk of cash by depositing with only reputable financial institutions. The Company also assesses the credit quality of counterparties, taking into account their financial position, past experience and other factors.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

As at March 31, 2024, the Company's financial liabilities consist of account payable, accrued liabilities, and lease liabilities.

The Company manages liquidity risk through an ongoing review of future commitments and cash balances available. Historically, the Company's main source of funding has been the issuance of shares for cash, primarily through private placements. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity or debt funding.

The following table illustrates the contractual maturities of financial liabilities as at March 31, 2024:

Financial Instrument Maturity (\$)	Carrying amount	Contractual cash flows	Less than 1 year	Between 1 and 3 years
Accounts payable and accrued liabilities	1,447,138	1,447,138	1,447,138	-
Convertible note liability	10,375,773	5,250,625	338,780	4,911,875
NCAC promissory note	1,997,617	2,189,004	2,189,004	-
Total	13,820,528	8,886,727	3,974,892	4,911,875

Foreign exchange risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency.

The Company operates internationally and is exposed to foreign exchange risk from the LSL, ZAR, AUD and USD. Foreign exchange risk arises from transactions as well as recognized financial assets and liabilities denominated in foreign currencies.

A 10% adverse change in exchange rate would have resulted in a loss of \$14,722 as at March 31, 2024.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has no significant interest-bearing assets or liabilities and therefore its income and operating cash flows are substantially independent of changes in market interest rates.

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21. Loss per share

The calculation of basic and diluted profit/(loss) per common share for the year ended March 31, 2024 and March 31, 2023 was calculated as follows:

Earnings per share (\$)	March 31, 2024	March 31, 2023
Basic and diluted loss per share:		
Net loss	(69,445,310)	(6,082,292)
Average number of common shares outstanding	133,336,848	89,007,181
Loss per share – basic and diluted	(0.52)	(0.07)

The diluted weighted average number of common shares does not take into account the effects of stock options and warrants as they would be anti-dilutive for the year ended March 31, 2024 and March 31, 2023.

22. Income taxes

The reconciliation of the combined Canadian federal and provincial statutory income tax rate of 26.5% (2023 – 26.5%) to the effective tax rate is as follows:

	2024	2023
Net Income/(Loss) before recovery of income taxes	(69,445,310)	(6,082,292)
Expected income tax (recovery)/expense	(18,403,007)	(1,611,807)
Difference in foreign tax rates	103,521	146,501
Tax rate changes and other adjustments	-	193,794
Listing expense	14,825,460	-
Other permanent expenses	2,718,801	51,817
Change in tax benefits not recognized	755,225	1,219,695
Income tax (recovery)/expense	-	-

Deferred tax

The following table summarizes the components of deferred tax:

Deferred tax	2024	2023
Deferred tax assets		
Lease liability	-	4,485
Deferred tax liabilities		
ROU asset	-	(4,485)
Net deferred tax asset	-	-

Unrecognized deferred tax asset

Deferred taxes are provided as a result of temporary differences that arise due to the differences between the income tax values and the carrying amounts of assets and liabilities. Deferred tax assets have not been recognized in respect of the following deductible temporary differences:

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Unrecognized deductible temporary differences	2024	2023
Property and equipment	265,515	141,629
Non-deductible reserves	-	140,500
Investment in Joint Venture	264,822	272,926
Loan liability	21,468	22,035
Intangible assets	140,509	150,215
Share issuance costs - 20(1)(e)	285,799	469,377
Non-capital losses carried forward-Canada	8,823,244	7,505,480
Non-capital losses carried forward-Lesotho	1,594,883	1,101,290
Non-capital losses carried forward-South Africa	235,512	193,749
Non-capital losses carried forward-Australia	223,389	1,699,257
Non-capital losses carried forward-UK	122,966	-
Promissory note	146,730	-
Lease liability	-	2,208
	12,124,637	11,698,666

Share issuance and financing costs will be fully amortized in 2028.

The Company's non-capital loss carry forwards will expire as noted in the table below:

Year of expiry	Canada	South Africa	Lesotho	UK	Australia
2041	314,280	-	-	-	-
2042	3,266,780	-	-	-	-
2043	3,103,086	-	-	-	-
2044	2,139,098	-	-	-	-
Indefinite	-	235,312	1,594,883	122,966	223,389
Total	8,823,244	235,312	1,594,883	122,966	223,389

23. Capital management

The Company manages its cash and cash equivalents and the components of shareholders' equity as capital. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development of natural health business, to maintain a flexible capital structure which optimizes the cost of capital at an acceptable risk level.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust its capital structure, the Company may attempt to issue new shares, issue new debt, acquire or dispose of assets or adjust the amount of cash and short-term investments on hand.

In order to facilitate the management of its capital requirements, the Company prepares annual budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. The annual and updated budgets are approved by the Board of Directors.

Management considers its approach to capital management to be appropriate given the relative size of the Company. There were no changes in the Company's approach to capital management during the year.

24. Convertible debt

On December 2, 2021, the Company announced the commencement of a non-brokered private placement offering (the “**Proposed Financing**”) of up to \$2,000,000 of unsecured convertible promissory units (the “**Units**”). Under the Proposed Financing, the terms contemplate that the Units along with any accrued interest shall be convertible at the option of the holder at any time at a 20% discount to the volume weighted average price of the Company's common shares over the previous five (5) trading days, or automatically converted upon the occurrence of either (a) the Company issuing common shares resulting in aggregate gross proceeds to the Company of at least \$2,000,000 (a “Qualifying Financing”), converting at a 20% discount to the per share price paid by purchasers in the Qualifying Financing, (b) the Company dual listing its securities onto any of the UK stock exchanges, converting at a 20% discount to the volume weighted average price of the Company's common shares over the fifteen (15) day prior to the time of listing, or (c) the Company consummates a sale of the Company or of all or substantially all its assets, converting at a 20% discount to the price per common share of the Company's most recent financing round. In all scenarios, the conversion price being subject to a minimum price of \$0.12 and a maximum price of \$0.25. In addition, the lenders would also receive warrants of the Company on the basis of 1,667 warrants for every \$1,000 of convertible debenture purchased, each exercisable into one common share at a price of \$0.30 for a period of 24 months from the date of issuance. The terms also contemplate that the notes are to mature 24 months from the date of issuance and bear interest at a rate of 8% per annum, payable as at the date of maturity.

On September 2, 2022, the Company closed its Proposed Financing, issuing a total of 1,273 Units at a price per Unit totaling \$1,000, raising gross proceeds of \$1,273,243 and issuances a total of 2,122,091 warrants in accordance with the terms described above.

In connection with the issuance of Units, costs of issuances were incurred for amounts totaling \$34,301.

On initial recognition, the Company concluded that the Units are to be accounted for as compound financial instruments, comprising a host debt contract to be held at amortized cost (loan liability), a derivative liability to be held at FVTPL (conversion feature) and an equity instrument (warrants).

The conversion feature was concluded to be a derivative liability on the basis that events or circumstances exist that may result in a variable number of common shares to be issued, thereby failing to meet the “fixed-for-fixed” requirements prescribed by IAS 32 Financial Instruments: presentation.

Accordingly, the fair value allocation of the Units were determined by reference to the estimated fair value of the loan liability and the derivative liability on the date of initial recognition, with the residual value allocated to warrant, recognized within warrant reserve.

The fair value of the loan liability was determined to be \$981,800, net of cost of issuances totaling \$27,200 and determined by reference to future payments schedule on the loan, discounted based on a fair market interest rate of 21%.

The fair value of the derivative liability was determined to be \$185,000, determined based on Company's estimated share price and volatility, using a probability weighted scenario approach with the following inputs: share price of \$0.10, volatility of 100%, risk free rate of 3.55% and an estimated term of 2 years. Cost of issuances totaling \$5,000 were allocated to the derivative liability, recognized immediately in the consolidated statement of net loss and comprehensive loss under professional fees and consulting fees for the year ended March 31, 2023.

Under the residual method approach, the warrants were determined to have a fair value of \$77,142, net of cost of issuances totaling \$2,101, recognized within warrant reserves in the consolidated statement of financial position.

On March 31, 2023 the convertible debt note converted into common shares following the fulfilment of a convertible condition. The condition was triggered due to the issuance of common shares in a private placement, which had a cumulative value of at least \$2 million subsequent to the closing of the debt notes.

The debt note converted into 11,059,047 common shares, which included accumulated interest from the date of closing.

See below for the movement in the convertible debt:

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Years ended March 31, 2024 and March 31, 2023
(Expressed in Canadian Dollars)

Convertible Debt	March 31, 2024	March 31, 2023
Opening Balance	-	981,800
Interest expense	-	121,909
Transferred to share capital on conversion	-	(1,103,709)
Closing Balance	-	-

Upon conversion, the derivative liability was concluded to have a fair value of \$nil, determined by reference to the total fair value of common shares received by holders as compared to the face value of the principal and accrued interest converted as at that date. As a result, a gain on fair value of derivative liability totalling \$185,000 was recognized in the consolidated statements of net loss and comprehensive loss for the year ended March 31, 2023.

25. Leases

The Company has a lease for land for its production facility in Lesotho. The lease is reflected on the consolidated statement of financial position as a right-of-use asset and a lease liability. The land has been used to erect manufacturing and processing facilities. The initial term of the lease is nine years beginning June 1, 2020 and ending May 21, 2029. Thereafter, the Company has the option to renew the lease for a further ten-year period for a maximum of five times total. The incremental borrowing rate and term length used in the calculation of the right-of-use asset and discounted lease liability amounts are 2.5% and 19 years, respectively.

Lease liability

The continuity of lease liability is as follows:

Lease liability (\$)	2024	2023
Opening Balance, April 1	55,051	55,051
Additions/(Disposals)	(19,747)	-
Accretion expense	1,238	1,231
Lease payments	(3,013)	(3,188)
Foreign exchange	320	(6,020)
Closing Balance, March 31	33,848	47,074
Less: current portion	575	2,034
Non-current portion of lease liability	33,273	45,040

The following table presents the future undiscounted payments associated with the sole lease liability as of March 31, 2024 for the next five years and thereafter:

Future undiscounted payments	(\$)
2024	3,014
2025	3,057
2026	3,103
2027	3,151
2028	3,201
Thereafter	37,023
Total	52,547

During the year ended March 31, 2024, amounts totalling \$nil (March 31, 2022 - \$26,324) were included in the consolidated statements of net loss and comprehensive loss related to leases of a short-term nature.

26. Subsequent Events

On May 1, 2024, 924,996 RSUs were exercised by consultants into ordinary common shares of the Company.

During April 2024, the Company entered a conditional transaction to restructure its non-clinical business. The conditional transaction involved the transfer of the Company's non-clinical subsidiaries Mind Health (Pty) Ltd and Psyence South Africa (Pty) Ltd, the vehicles housing the psilocybin cultivation, extraction, and production operations in Southern Africa, Psyence UK Group Ltd, the entity engaged in Active Pharmaceutical Ingredient and IP development, and the joint venture Good Psyence (Pty) Ltd which holds the functional mushroom brand GOODMIND™ to a third-party private company, which will be responsible for raising the private investment required and ongoing finance to continue the operations of the Non-Clinical Assets.

The Company's subsidiary PBM has received additional financing of USD \$1,000,000 related to the Second Tranche of convertible notes:

- On May 31, 2024, the Company's subsidiary PBM received proceeds of USD \$250,000 related to the issuance of the Second Tranche Notes. The principal amount of \$312,250 was issued under the same terms as the First Tranche Notes, with interest accruing at 8.0% per annum from the issuance date. The Conversion Price remains subject to adjustment as per the terms outlined in the original Securities Purchase Agreement.
- On June 17, 2024, an additional USD \$250,000 in proceeds was received by the Company's subsidiary PBM for the issuance of the Second Tranche Notes. The principal amount issued was \$312,250, also under the terms consistent with the First Tranche Notes. Interest accrues at 8.0% per annum from the date of issuance, with the Conversion Price subject to the same adjustment mechanisms detailed in the initial agreement.
- On July 15, 2024, an additional USD \$500,000 in proceeds was received by the Company's subsidiary PBM for the issuance of the Second Tranche Notes. The principal amount issued was \$625,000, also under the terms consistent with the First Tranche Notes. Interest accrues at 8.0% per annum from the date of issuance, with the Conversion Price subject to the same adjustment mechanisms detailed in the initial agreement.

These subsequent financings are part of the Convertible Note Financing arrangement entered into in connection with the RTO Transaction.

The Company's subsidiary PBM has received two conversion notices related to the First Tranche of convertible notes:

- On May 15, 2024, a conversion notice was received for a principal amount of USD \$70,000. This amount converted at a VWAP of \$0.5361 per share, resulting in the issuance of 130,572 shares.
- On June 20, 2024, a second conversion notice was received for a principal amount of USD \$1,072,200. This converted at a VWAP of \$0.5361 per share, leading to the issuance of 2,000,000 shares.

Concurrently, the Company's subsidiary PBM issued 86,790 shares on May 15, 2024, and 78,522 shares on June 20, 2024, to cover outstanding interest on the outstanding principal at a VWAP of \$0.5361 per share.

These conversions and interest issuances are in accordance with the terms outlined in the Securities Purchase Agreement and are related to the Convertible Note Financing arrangement initiated in connection with the RTO Transaction.

In July, 2024, the Company's subsidiary PBM completed a warrant exchange agreement with an unaffiliated third-party investor of warrants to purchase the Company's common shares, no par value

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per share, which warrants are currently trading on Nasdaq. Pursuant to the Warrant Exchange Agreement, the Company's subsidiary PBM issued to the Holder 660,000 Common Shares in exchange for the surrender and cancellation of 660,000 Public Warrants held by the Holder.

On May 16, 2024, the Company's subsidiary PBM issued an additional 178,000 shares to third-party consultants and legal advisors.



Psyence Group Inc.

Management Discussion & Analysis (MD&A)
for the year ended
March 31, 2026

Date of the MD&A:
July 24, 2026

Registration number: 1074709

LEI: 549300RPEOIVSD0MJC07

www.psyence.com

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Psyence Group Inc.

Management Discussion & Analysis

Dated: July 24, 2026

The following information should be read in conjunction with the audited Condensed Consolidated Financial Statements for the year ended March 31, 2026 of Psyence Group Inc. (the "**Company**" or "**Psyence**"), which are prepared in accordance with IFRS® Accounting Standards as issued by the International Accounting Standard Board ("**IFRS**")

All figures are expressed in Canadian dollars unless otherwise indicated.

Forward-Looking Information

This Management Discussion & Analysis ("**MD&A**") contains forward-looking statements and forward-looking information as such terms are defined under applicable Canadian securities laws. These forward-looking statements and forward-looking information include, but are not limited to, statements with respect to management's expectations regarding the future growth, results of operations, performance and business prospects of the Company, and relate to, without limitation:

- the Company's research and development plans, business model, strategic objectives and growth strategy;
- the Company's future growth plans;
- anticipated trends and challenges in the Company's business and the markets in which it operates;
- the Company's expectations regarding regulatory requirements and developments in the jurisdictions in which it operates;
- the Company's ability to obtain the issue and/or renewal of licenses and regulatory authorizations for its business operations;
- the Company's estimate of the size of the potential markets for its products;
- the Company may not develop its product and service offerings in a manner that enables it to be profitable and meet its customers' requirements;
- risks that its growth strategy may not be successful;
- risks that fluctuations in its operating results will be significant relative to its revenues;
- risks relating to operations based in its emerging markets;
- the continuation of the Company as a going concern;
- the Company's intellectual property;
- the growth of competition from other companies in the industry;
- the Company's actual financial position and results of operations may differ materially from the expectations of the Company's management;
- the Company's exposure to fluctuations in foreign currencies;
- the sufficiency of current working capital;
- the closing of the GoldCoast Amalgamation (described in more detail in the section titled *Development of the business*);
- the continued exploration and development of GoldCoasts' exploration properties (described in more detail in the section titled *Corporate Structure*);
- should the GoldCoast Amalgamation (as described in more detail in the section titled *Development of the business*), close as anticipated, dependence on the GoldCoast Project (described in more detail in the section titled *Business Overview and Discussion of Operations*); and

- the Company's expectations regarding the sufficiency of its cash for funding non-development related expenditures and future cash balances.

These forward-looking statements and forward-looking information may also include other statements that are predictive in nature, or that depend upon or refer to future events or conditions. Without limitation, the words "may", "will", "would", "should", "could", "expect", "plan", "intend", "trend", "indicate", "assume", "anticipate", "believe", "estimate", "predict", "likely" or "potential", or the negative or other variations of these words or other comparable words or phrases, are intended to identify forward-looking statements. In addition, any statements that refer to expectations, projections or other characterizations of future events or circumstances contain forward-looking information. Forward-looking statements and forward-looking information are not historical facts but instead represent management's expectations, estimates and projections regarding future events.

With respect to forward-looking statements and forward-looking information contained in this MD&A, assumptions have been made regarding, among other things: future research and development plans for the Company proceeding substantially as currently envisioned, future expenditures to be incurred by the Company, research and development and operating costs, additional sources of funding, the impact of competition on the Company, the Company being able to obtain financing on acceptable terms, the closing of the Amalgamation Agreement (described in more detail in the section titled *Development of the business*), political or regulatory developments in Canada or Ghana and the acquisition and maintenance of the requisite exploration licenses (described in more detail in the section titled *Development of the business*).

Although management believes the expectations reflected in such forward-looking statements and forward-looking information are reasonable, forward-looking statements and forward-looking information are based on the opinions, assumptions and estimates of management at the date the statements are made, and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements and forward-looking information.

These risks, uncertainties and factors include, but are not limited to: failure to obtain shareholder or regulatory approvals or satisfy the other remaining conditions precedent to closing of the Amalgamation Agreement; inability to satisfy CSE listing requirements; risks relating to changes in market conditions; political or regulatory developments in Canada or Ghana; the Company may not have sufficient capital to achieve its growth strategy; risks that its growth strategy may not be successful; the ability to obtain the issuance of and/or renewal of and/or approvals for licences and authorizations; competition from other companies; limitations on insurance coverage; the timing and amount of estimated capital expenditure in respect of the business of the Company; operating expenditures; success of marketing activities; estimated budgets; currency fluctuations; requirements for additional capital; the timing and possible outcome of litigation in future periods; goals; strategies; future growth; planned business activities and planned future acquisitions; the adequacy of financial resources; and other events or conditions that may occur in the future.

In addition, if any of the assumptions or estimates made by management prove to be incorrect, actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in, or incorporated by reference into, this MD&A. Accordingly, readers are cautioned not to place undue reliance on such statements.

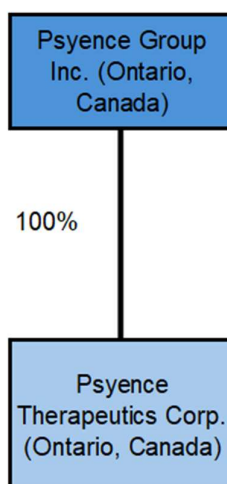
All of the forward-looking statements and forward-looking information in this MD&A are qualified by these cautionary statements. Statements containing forward-looking statements and/or forward-looking information contained herein are made only as of the date hereof. The Company expressly disclaims any obligation to update, revise or alter statements containing any forward-looking statements or forward-looking information, or the factors or assumptions underlying them, whether as a result of new information, future events or otherwise, except as required by law. New factors emerge from time to time, and it is not possible for the Company to predict which factors may arise. In addition, the Company cannot assess the impact of each factor on the Company's business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements or forward-looking information.

Overview

Corporate Structure

The Company is a life science biotechnology company listed on the Canadian Securities Exchange (CSE: PSYG), with an initial focus on natural psychedelics. Psyence is currently advancing a proposed reverse takeover transaction with GoldCoast Resource Corp., a private mineral exploration company focused on offshore gold exploration in Ghana ("**GoldCoast**"). Upon completion of the transaction (described in more detail in the section titled *Development of the business*), the resulting issuer is expected to pursue the business of GoldCoast, subject to receipt of all required regulatory and shareholder approvals. Historically, Psyence had commenced the clinical trial process to evaluate the safety and efficacy of our erstwhile drug candidate, the development of which has been taken over by a formerly affiliated company, Psyence Biomedical Ltd ("**PBM**"), the world's first life science biotechnology company traded on the Nasdaq (NASDAQ: PBM), currently focused on the development of botanical (nature derived, or non-synthetic) psilocybin-based psychedelic medicines, and which works with natural psilocybin products for the healing of psychological trauma and its mental health consequences in the context of palliative care.

The below diagram shows the corporate structure of Psyence Group Inc. as at March 31, 2026:



Development of the business

Psyence Biomed Corp. ("**PBC**") was a private corporation incorporated under the laws of British Columbia. Effective July 21, 2023 PBC was continued under the laws of the Province of Ontario. It was a wholly owned subsidiary of the Company, and also referred to as the Psyence Therapeutics division.

The Psyence Group was created through a business combination of Psyence Biomed Corp. with Cardinal Capital Partners Inc., a public company, in January 2021, resulting in the Company's public listing in Canada.

The Company and PBC concluded their amalgamation on January 16, 2024, with the Company being the surviving entity.

Following the completion of the disposition of PBM on April 30, 2025 (the Company's former therapeutics division) and Psyence Production (the Company's former cultivation and production division), the Company no longer conducts research, clinical, or production operations previously described in prior MD&A filings. Information relating to those activities is provided herein solely for

historical context. The Company has no ongoing control or involvement in the clinical trials, R&D programs, or manufacturing operations of PBM or Psyence Production, however it retains sales and distribution rights for all products and services developed and offered by Psyence Production, as well as an entitlement to a 3.5% royalty on net sales generated through the non-clinical assets with respect to the intellectual property transferred from the Company to the purchaser of the Psyence Production business, a private company by the name of Psyence Labs Ltd. ("**PsyLabs**"), for a period ending October 1, 2031.

On August 20, 2025, the Company entered into the letter of intent (the "**LOI**") with GoldCoast, a corporation existing under the laws of Ontario, to acquire all of the issued and outstanding securities and securities convertible into securities of GoldCoast. GoldCoast submitted application to the Minerals Commission of Ghana for a reconnaissance licence in accordance with Section 31 of the Minerals and Mining Act, 2006 (Act 703) to conduct reconnaissance activities over a 10,000 square km area at half Assini in Western Ghana and eastward to Winneba, Ghana measuring 300 km off the coastline of Ghana.

On November 21, 2025, the Company, GoldCoast and Psyence Therapeutics Corp. ("**Psyence Therapeutics**"), a wholly owned subsidiary of the Company, entered into a definitive amalgamation agreement (the "**Amalgamation Agreement**") which superseded the LOI.

Under the terms of the Amalgamation Agreement, the Company, GoldCoast and Psyence Therapeutics agreed to structure a business combination by way of an amalgamation of GoldCoast and Psyence Therapeutics (the "**GoldCoast Amalgamation**") in accordance with the *Business Corporation Act* (Ontario) (the "**OBCA**").

Under the terms of the Amalgamation Agreement, the Company will complete a name change to GoldCoast Resource Corp. (or such other name as may be approved by GoldCoast and applicable regulatory authorities) and a share consolidation prior to closing of the business combination.

At the effective time of the Amalgamation between GoldCoast and Psyence Therapeutics, the following shall occur in the following order:

Psyence Therapeutics Corp. and GoldCoast shall amalgamate to form Amalco and shall continue as one company under the OBCA and with the effect set out in Section 179 of the OBCA. Amalco will become a wholly owned subsidiary of the resulting issuer (the Company after giving effect to the Amalgamation).

Immediately upon the Amalgamation:

- Each one GoldCoast share shall be exchanged for one fully paid and non-assessable resulting issuer shares;
- Each Psyence Therapeutics. share shall be exchanged for one fully paid and non-assessable Amalco share;
- Each holder of one option granted pursuant to the GoldCoast Option Plan outstanding immediately before the Amalgamation shall be exchanged for one resulting issuer Option having the same economic terms as the option for which it is being exchanged.

With respect to each GoldCoast share, exchanged in accordance with provisions detailed above:

- The holders thereof shall cease to be the holders of such GoldCoast shares, as the case may be, and the name of each such holder shall be removed from the applicable register of holders of such GoldCoast securities;
- The GoldCoast securities as noted above shall be deemed to have been cancelled as of the effective date of the Amalgamation.

On the effective date of the Amalgamation:

- GoldCoast and Psyence Therapeutics shall amalgamate and continue as Amalco under the terms and conditions prescribed in the Agreement;
- GoldCoast and Psyence Therapeutics shall cease to exist as entities separate from Amalco;

PSYENCE GROUP INC.
Management's Discussion and Analysis

- Amalco shall possess all the property, rights, privileges and franchises and is subject to all liabilities, including civil, criminal and quasi-criminal, and all contracts, disabilities and debts of each of GoldCoast and Psyence Therapeutics;
- A conviction against, or ruling, order or judgment in favour or against either GoldCoast and Psyence Therapeutics may be enforced by or against Amalco;
- The Articles of Amalgamation are deemed to be the articles of incorporation of Amalco;
- Amalco shall be deemed to be the party plaintiff or the party defendant, as the case may be, in any civil action commenced by or against an amalgamating corporation before the Amalgamation has become effective;
- The initial directors of Amalco shall be the same directors as the resulting issuer; and
- The initial management of Amalco shall be the same management as the resulting issuer.

The closing of the business combination is subject to customary conditions in accordance with the Agreement including but not limited to regulatory approvals and the Company having a minimum cash balance of \$400,000 and no liabilities at the date of the closing.

The Agreement can be terminated by the Company or GoldCoast if conditions precedent detailed in the Agreement are not met.

On January 27, 2026 the Company announced that GoldCoast has been granted a series of ten contiguous offshore licenses in accordance with Section 31 of the Minerals and Mining Act, 2006 (Act 703) by the Minerals Commission of Ghana covering approximately 10,000 square kilometres area.

On February 24, 2026, the Company entered into an amending agreement (the "**Amending Agreement**") with GoldCoast and Psyence Therapeutics, to amend the Agreement. The Amending Agreement provides for certain amendments to the Agreement in connection with the proposed Amalgamation, including: (i) an extension of the long-stop date for the holding of required shareholder meetings from January 30, 2026 to April 30, 2026; (ii) an extension of the outside date for completion of the Amalgamation (the "**Closing Date**") from March 31, 2026 to May 31, 2026; (iii) a corresponding extension of the termination date under the Agreement from March 31, 2026 to May 31, 2026; and (iv) a reduction of the minimum cash condition applicable to the Company at closing from \$400,000 to \$250,000.

On July 20, 2026, the Company entered an amendment with GoldCoast and Psyence Therapeutics Corp, to the previously announced amalgamation agreement dated November 21, 2025. The Amendment accounts for the replacing the closing date by deleting "May 31, 2026" with "July 31, 2026".

Listing on CSE and board of directors

The Company listed on the Canadian Securities Exchange ("**CSE**") on January 27, 2021.

The board of directors and officers of the Company are comprised of Jody Aufrichtig (Chairman), Alan Friedman (director), Warwick Corden-Lloyd (director), and Adri Botha (CFO).

Outstanding Share Data

Security	As of March 31, 2026	At date of this MD&A
Common Shares	15,638,267	16,129,405,
Options	131,444	131,444
Restricted Share Units (" RSUs ")	1,172,870	681,732
Common Shares on a fully diluted basis	16,942,581	16,942,581

Business Overview and Discussion of Operations

The Company was initially focussed on the sales and distribution of products and services for the psychedelic industry and was invested in two businesses, PBM (directly) up to May 2025 and PsyLabs (indirectly) up to October 2024. The Company retains sales and distribution rights for all products and services developed and offered by PsyLabs with the intention of creating a marketplace therefor in the psychedelics industry, as well as the royalty entitlements described above.

As described above, on November 21, 2025, the Company entered into the Amalgamation Agreement with GoldCoast and Psyence Therapeutics. GoldCoast's sole material asset consists of its application for a reconnaissance (exploration) licence with the Minerals Commission of Ghana. GoldCoast has applied for such exploration licence to conduct shallow-water mineral exploration off the coast of Ghana in the Atlantic Ocean (the "**GoldCoast Project**"). The proposed licence area covers a nearshore marine tract prospective for alluvial and marine placer gold and is the pending principal property of GoldCoast. The Company intends to complete a share consolidation prior to closing the proposed GoldCoast Amalgamation so that the value per share after consolidation corresponds to the issue price of GoldCoast's most recent private placement financing. The proposed GoldCoast Amalgamation will constitute a "Change of Business" of the Company as contemplated under Policy 8 – Fundamental Changes and Changes of Business of the CSE. Trading in the Company's common shares will remain halted pending CSE review and will not resume until all CSE conditions for the Change of Business have been satisfied and the transaction, being the Amalgamation, has closed. There can be no assurance that the Amalgamation will be completed as proposed or at all (described in more detail below in the section titled *Subsequent Highlights*).

Psyence Labs Ltd.

PsyLabs has a focus on extraction, production and R&D with strategic partners. It is working towards providing standardized natural pharmaceutical grade psilocybin products to clinicians, research centres and universities undertaking research and clinical trials in the use of natural psilocybin for the treatment of a range of mental health disorders and other medical conditions.

In addition hereto, PsyLabs owns, and will continue to develop, the non-clinical assets acquired by it from the Company as part of the Company's strategic restructuring and will continue to operate the business housed in the Company's formerly owned non-clinical subsidiaries including Mind Health (Pty) Ltd (Lesotho) and Psyence South Africa (Pty) Ltd (South Africa), the vehicles housing the psilocybin cultivation, extraction, and production operations in Southern Africa, and Psyence UK Group Ltd (UK) (now called Novaspore Limited), the entity engaged in active pharmaceutical ingredient and IP development, and, Good Psyence (Pty) Ltd, the functional mushroom brand GOODMIND™.

As stated above, the Company has disposed of its entire shareholding in PsyLabs, however it will retain sales and distribution rights for all products and services developed as well as the royalty entitlements described above.

Intellectual Property

Trademarks

The Company has filed applications for the registration of the Psyence™ trademark in several jurisdictions including Canada, USA, UK, South Africa and Jamaica. Confirmation of registration of the Psyence™ trademark has been received in respect of Jamaica and the UK. These trademarks will be assigned to PBM upon the closing of the GoldCoast Amalgamation and completion of the Company's name change to GoldCoast Resource Corp. (or such other name as may be approved by GoldCoast and applicable regulatory authorities) (described in more detail in the section titled *Development of the business*).

Licensed Intellectual Property

The Company assigned its rights and obligations under an R&D IP Licensing Agreement concluded with Filament Health Corp ("**Filament**"), a Canadian company producing natural psilocybin capsules), to PBM as part of the disposal of the phase IIb double-blind, randomized, low-dose controlled clinical trial for the treatment of adjustment disorder due to a diagnosis of cancer within the context of palliative care to PBM in January 2024, and terminated the commercial term sheet for the commercialisation of the in-licensed drug candidate previously concluded with Filament. Please refer to the section titled *Relationships with Third Parties* for more information.

Regulatory Framework and Licensing Regime

A summary of the applicable regulatory framework for the Company's various business segments and

PSYENCE GROUP INC.
Management's Discussion and Analysis

interests and proposed business activity is set out in the table below.

Business Interests	Current / Proposed Jurisdiction of Operation	Summary of Applicable Regulatory Frameworks	Third-party CROs, Suppliers, and/or Manufacturers	Related Agreements/ Contracts ⁴
Psyence Therapeutics – Research and Development ⁷ and Clinical Trials ⁸	UK, Canada, USA and Australia	UK: • 1971 UN Convention on Psychotropic Substances • Misuse of Drugs Act 1971 and Regulations 2001 • Psychoactive Substances Act 2016 • Human Medicines Regulations 2012¹ Canada: • Controlled Drugs and Substances Act • Food and Drugs Act, R.S.C. 1985, c. F-27, and the Food and Drug Regulations thereunder, C.R.C., c. 870² USA: • Federal Food Drug and Cosmetic Act (FDCA)⁹ Australia: • The Therapeutic Goods Act 1989 • Therapeutic Goods (Poisons Standard—July 2023) Instrument 2023 • Customs (Prohibited Imports) Regulations 1956³	• PsyLabs	• Sales and Distribution Agreement
Psyence Sales and Distribution	South Africa, UK, Canada, USA and Australia	South Africa: • Foodstuffs, Cosmetics and Disinfectant Act, No 54 of 1972 • Medicines and Related Substances Control Act 101 of 1965⁵ UK, USA Canada, and Australia: Please refer to the domestic and international narcotics laws listed above.	• PsyLabs	• Sales and Distribution Agreement
Shallow-water mineral exploration (post closing of the GoldCoast Amalgamation)	Ghana ⁶	Minerals and Mining Act, 2006	• GoldCoast	• Amalgamation Agreement

Notes:

- (1) For more information on the regulatory regime in the UK, please refer to "United Kingdom" below.
- (2) For more information on the regulatory regime in Canada, please refer to "Canada" below.
- (3) For more information on the regulatory regime in Australia, please refer to "Australia" below.
- (4) For more information regarding contracts related to the operations of the Company, please refer to "Material Contracts" below.
- (5) For more information on the regulatory regime in South Africa, please refer to "South Africa" below.
- (6) For more information on the regulatory regime in Ghana, please refer to "Ghana" below.
- (7) Now owned and operated by PsyLabs. The Company is no longer pursuing this Research and Development.
- (8) Now owned and operated by PBM. The Company is no longer pursuing these Clinical Trials.
- (9) For more information on the regulatory regime in the USA, please refer to "USA" below.

Canada

The *Canadian Controlled Drugs and Substances Act* ("**CDSA**") generally prohibits all uses of controlled substances and makes it an offence to possess, produce, sell, traffic, import or export a substance including psilocin or psilocybin. However, these prohibitions are subject to exceptions, in particular an exemption for a medical or scientific purpose, such as research or clinical trials, pursuant to subsection 56(1) of the CDSA. An application must be submitted to Health Canada in order to receive such an exemption. Other than the joint venture formed with Pure Extracts Technologies Corp called "Pure

Psyence" (now wound-up), the Company has not commenced psilocybin related commercial business activities in Canada. The Company will pursue sponsored research and collaboration agreements with a duly licensed academic institution to conduct research projects. At all times, the Company will enter into partnerships with organisations which have obtained the necessary dealer's licence and/or section 56 exemption required to handle psilocybin in Canada as it currently does not possess any such licenses.

In addition to the CDSA, the import and export of psilocin or psilocybin are regulated under the Food and Drugs Act and the Food and Drug Regulations. A dealer's licence for psilocin or psilocybin may be obtained under Part J of the Food and Drug Regulations. These laws are described in more detail below:

CDSA

The CDSA is the critical piece of legislation applicable to psilocin, psilocybin, and other psychoactive substances in Canada. The criminal law power is the basis for this federal legislation regarding controlled drugs and substances. Both Psilocin (3-[2-(dimethylamino)ethyl]-4-hydroxyindole) and any salt thereof as well as psilocybin are (3-[2-(dimethylamino)ethyl]-4-phosphoryloxyindole) and any salt thereof are substances included in Schedule III of the CDSA.

Food and Drugs

In addition to the CDSA, the federal Food and Drugs Act, R.S.C. 1985, c. F-27, and the Food and Drug Regulations thereunder, C.R.C., c. 870, regulate food and drugs in Canada. Both psilocin (3-[2-(dimethylamino)ethyl]-4-hydroxyindole) and any salt thereof as well as psilocybin (3-[2-(dimethylamino)ethyl]-4-phosphoryloxyindole) and any salt thereof are restricted drugs included in the Schedule to which Part J of the Food and Drug Regulations is applicable.

Research

If the research to be conducted involves a drug for human use that is to be tested in a clinical trial involving human subjects, then Division V of the Food and Drug Regulations would be the applicable federal law. In addition, if the research is to be conducted in British Columbia or another province in Canada, then the provincial laws of that province should also be consulted, such as those laws regarding the protection of personal health information.

Exemptions & Licences – CDSA and Food and Drug Regulations

As stated above, the CDSA generally prohibits all uses of controlled substances and makes it an offence to possess, produce, sell, traffic, import or export a substance included in Schedule III, including psilocin or psilocybin. However, these prohibitions are subject to exceptions, in particular an exemption for a medical or scientific purpose, such as research or clinical trials, pursuant to subsection 56(1) of the CDSA, as follows: in terms of section 56(1) the Minister may, on any terms and conditions that the Minister considers necessary, exempt from the application of all or any of the provisions of this Act or the regulations any person or class of persons or any controlled substance or precursor or any class of either of them if, in the opinion of the Minister, the exemption is necessary for a medical or scientific purpose or is otherwise in the public interest. An application must be submitted to Health Canada in order to receive such an exemption.

A dealer's licence for psilocin or psilocybin may be obtained under Part J of the Food and Drug Regulations. An individual who ordinarily resides in Canada or a corporation with a head office or branch office in Canada is eligible to apply for a dealer's licence for permission to produce, assemble, sell, provide, transport, send, deliver, import or export psilocin or psilocybin as a licensed dealer. An Application for a Controlled Drugs and Substances Dealer's Licence must be submitted to the Office of Controlled Substances at Health Canada. In order to qualify as a licensed dealer, a party must meet all of the requirements mandated by Part J of the Food and Drug Regulations, including having staff

that meet the qualifications for a senior person in charge and a qualified person in charge. A dealer's licence must be obtained for each site at which activities are to be conducted. The activities that the licensee may engage in are limited to the strict confines of the licence.

In addition to the dealer's licence, an application must be submitted, and a permit must be obtained from Health Canada before each import or export of a restricted drug such as psilocin or psilocybin by a licensed dealer. This allows the government to track every gram in the country.

Australia

The Therapeutic Goods Administration in Australia ("**TGA**") is Australia's government authority responsible for evaluating, assessing and monitoring products that are defined as therapeutic goods, and the use of therapeutic goods supplied in clinical trials in Australia under the therapeutic goods legislation. Such legislation includes The Therapeutic Goods Act 1989 ("**TG Act**"), Regulations and Orders which set out the requirements for inclusion of therapeutic goods in the Australian Register of Therapeutic Goods (ARTG).

Registration of medicines

For a prescription medicine to be registered in the ARTG, a sponsor of the product (usually a pharmaceutical company) is required to submit a dossier of evidence on the clinical efficacy, safety and manufacturing quality for evaluation by the TGA. Clinical trials of medicines and biologicals regulated under the Clinical Trial Notification (CTN) or Clinical Trial Approval (CTA) schemes are subject to the TGA's Good Clinical Practice (GCP) Inspection Program. The TGA has issued a handbook which provides guidance on the legislative, regulatory and good clinical practice (GCP) requirements when conducting clinical trials in Australia using 'unapproved' therapeutic goods in order to assist trial sponsors, Human Research Ethics Committees (HRECs), investigators and approving authorities (institutions) in understanding their roles and responsibilities under the therapeutic goods legislation.

Scheduling of Psilocybin

Historically, psilocybin was included in Schedule 9 (Prohibited Substances) of the Poisons Standard which, because of interaction with state and territory regulation, largely restricted the lawful supply of goods containing psilocybin to clinical trial settings only. However, effective 1 July 2023, the TGA made the decision to down schedule psilocybin to Schedule 8 in the Poisons Standard when used in respect of certain conditions, namely for the treatment of treatment-resistant depression.

Importation

To import products that contain a controlled substance (such as psilocybin), the importer requires both an exemption, approval or authority under the TG Act and a licence and/or permit to import from the Office of Drug Control under the Customs (Prohibited Imports) Regulations 1956. Licences and permits to import psilocybin are only granted by the Office of Drug Control where the use of the substance is permitted by the relevant state or territory under their respective medicines and poisons legislation and the use of the of psilocybin is to be prescribed by an Authorised Prescriber or for an authorised clinical trial.

USA

In connection with the development and future commercialization (if applicable) of the psilocybin-based prospective products, each contemplated product candidate is subject to the Federal Food Drug and Cosmetic Act (FDCA). The FDCA is intended to assure the consumer, in part, that drugs and devices are safe and effective for their intended uses and that all labeling and packaging is truthful, informative, and not deceptive. The FDCA and FDA regulations define the term "drug," in part, by reference to its intended use, as "articles intended for use in the diagnosis, cure, mitigation, treatment, or prevention of disease" and "articles (other than food) intended to affect the structure or any function of the body of man or other animals." Therefore, almost any ingested or topical or injectable product that, through its label or labeling (including internet websites, promotional pamphlets, and other marketing material), that is claimed to be beneficial for such uses will be regulated by FDA as a drug. The definition also includes components of drugs, such as active pharmaceutical ingredients. Drugs must generally either receive premarket approval by FDA through the NDA process or conform to a "monograph" for a particular drug category, as established by FDA's Over-the-Counter (OTC) Drug Review. If the FDA

does not award premarket approval for our product candidates through the NDA process, this could have a material adverse effect on our business, financial condition and results of operations.

The FDA will accept data from studies performed in other countries, as long as the study complies with GCP and ICH guidelines.

The Company is no longer pursuing any research and development or clinical trial activities.

Ghana

Under the Minerals and Mining Act, 2006 (Ghana) ("**MMA**"), a reconnaissance licence is a mineral right that permits a qualified applicant to conduct preliminary exploration work over a defined area to identify the presence and distribution of minerals, such as gold, before undertaking more detailed prospecting or mining. The Minerals Commission of Ghana is the authorised regulatory body in this regard. In terms of section 32 of the MMA, a reconnaissance licence confers on the holder and a person authorized, the exclusive right to carry on reconnaissance in the reconnaissance area for the minerals to which the reconnaissance licence relates and to conduct other ancillary or incidental activity.

Corporate Governance and Compliance Program

Corporate governance refers to the policies and structure of the board of directors of a company, whose members are elected by and are accountable to the shareholders of the company. Corporate governance encourages the adoption of policies to ensure the board of directors recognizes the principles of good management. The Board is committed to sound corporate governance practices; as such practices are both in the interests of shareholders and contribute to effective and efficient decision-making. The Company has adopted corporate governance policies and guidelines (the "**Guidelines**") governing key matters and has accordingly enacted: (a) internal guidelines to control transactions involving its securities by all Company directors, officers and insiders (among others) to ensure that such parties are aware of and comply with their legal obligations with respect to "insider trading" and "tipping"; and (b) timely disclosure and confidentiality guidelines to ensure the timely and accurate disclosure of material information relating to the Company and/or its material subsidiaries in accordance with applicable securities laws and stock exchange rules, to prevent the improper use or disclosure of material information or confidential information about the Company and to promote an understanding of and compliance with legal requirements and stock exchange rules.

The Board shall: (a) review the Guidelines on an annual basis; and, (b) at a more appropriate time in the future, (i) implement additional corporate governance policies and guidelines; (ii) implement measures and processes to review critically each director's continuation on the Board every year considering, among other things, a director's service on other boards and the time involved in such other service; and (iii) establish a process for the evaluation of the performance of the Board and each of its committees.

The Company engages professional advisors (legal, financial, and technical) with the relevant expertise to provide assistance in navigating and managing the political, legal and cultural realities of the jurisdictions in which it operates and the impact it may have on the Company's business or operations on an as-needed basis. Additionally, the Company's management team has a long and successful history of doing business in Canada, United Kingdom and Southern Africa. With respect to Southern Africa specifically, the Company's management team has experience engaging with local communities and tribal chiefs as well as a working knowledge of the region's local legal, regulatory and political landscape. The management team's technical division is well acquainted with the region's natural terrain as well as its climactic and infrastructure related challenges.

The Company managers and monitors compliance with applicable laws in each jurisdiction in which it operates through its general legal counsel and Chief Financial Officer, who engage, as needed, local counsel in every jurisdiction, who provide legal opinions or advice in each of these jurisdictions regarding: (a) compliance with applicable laws and regulatory frameworks, (b) applications, maintenance and renewals of licences and permits, and (c) changes in the legal landscape affecting the Company operations.

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The Company engages local legal counsel in each jurisdiction in which it conducts business or seeks to conduct business to ensure compliance with material legal, regulatory and governmental developments as they pertain to and affect the Company's operations. The Company's operations are conducted in compliance with local laws where such activities are permissible and either (a) do not require any specific legal or regulatory approvals, or (b) the Company has obtained all necessary legal and/or regulatory approvals.

The Company works with third party facilities, research institutions, and contract manufacturers who require regulatory licensing to handle scheduled drugs. Before commencing any commercial or other ventures with such third parties, the Company conducts a high-level legal, regulatory and quality control due diligence to verify claims made by such third parties. The Company ensures that contracted third parties provide the necessary warranties and undertakings required to ensure compliance with applicable laws in contracts concluded with such parties. Failure of third parties to comply with applicable laws constitutes a material breach of contract, giving rise to a contractual right on the part of the Company to terminate any contract with such offending third party.

The Company held its annual and special general meeting of shareholders on June 24, 2024.

Overall Performance

Financial Information

The Company's most recent financial year end was March 31, 2026. This MD&A presents information relating to the year ended March 31, 2026 with comparative information being shown for the year ended March 31, 2025 ("**comparative period**").

Results and Overview of operations for the year ended March 31, 2026

Revenue and results

The Company did not report revenue from operations for the year ended March 31, 2026 (comparative period: \$0). The total comprehensive loss for the year ended March 31, 2026, was \$1,568,685 (comparative period: gain of \$582,908).

The total comprehensive loss relates to the strategic sale of business units of the Company.

Operating Expenses

Year Ended March 31,

	2026	2025
Sales and marketing	119,867	676,310
Research and development	89,990	475,755
General and administrative	204,284	1,741,923
Professional fees and consulting fees	440,761	2,613,286
Depreciation and amortization	3,118	8,460
	858,020	5,515,734

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For the year ended March 31, 2026, operating expenses comprising sales and marketing, research and development, general and administrative, professional fees and consulting and depreciation and amortization were down compared to the same periods last year. This was primarily due to the divestment of PBM and PsyLabs during the period.

Total assets at the year ended March 31, 2026

Total assets for the year were \$816,790 and comprised predominantly of cash and cash equivalents of \$439,941, loan receivable from GoldCoast Resource Corp. of \$364,238 and other receivables of \$12,611.

Liquidity

Since incorporation, the operations have been solely financed from the issuance of equity. The Company's main use for liquidity is to fund scientific research, clinical studies, product development and manufacturing, salaries and professional and consulting fees. The ability to fund operations and to make planned cash flows are subject to prevailing economic conditions, regulatory and financial, business, and other factors, some of which are beyond the Company's control.

As at March 31, 2026 the Company had cash balances of \$439,941 and positive working capital of \$679,553. Working capital represents the excess of current assets over current liabilities. Accounts payable and accrued liabilities have contractual maturity dates within one year. All significant contractual obligations and commitments are disclosed under *Discussion of operations* above and there are no other significant obligations maturing in the short term. The Company believes that it will be able to fund operations and significant projects within the next 12 months from the available cash and cash equivalents without raising additional financing.

The Company's current expenditure obligations are primarily for working capital purposes. The Company expects to continue funding projects with available cash and cash equivalents, and therefore, is subject to risks including, but not limited to, an inability to raise additional funds through the issuance of equity, debt instruments or similar means of financing to support the Company's continued development, including capital expenditure requirements, operating requirements and to meet its liabilities and commitments at they become due.

The Company has experienced operating losses and cash outflows from operations since incorporation and by nature of its business, will require ongoing financing for working capital purposes. The Company's ability to access both public and private capital is dependant upon, among other things, general and sectoral market conditions and the capital markets generally, market perceptions about the Company and its business operations, and the trading prices of the Company's securities from time to time.

The Company's primary capital needs are funds for working capital purposes. These activities include staffing, and administrative costs.

Off Balance Sheet Arrangements

The Company has not had any off-balance sheet arrangements from the date of its incorporation to the date of this MD&A.

Transactions between Related Parties

Compensation to key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel, as defined by International Accounting Standards 24 *Related Party Disclosures*, include the Company's executive officers and Board of Directors. For the reporting period, they are as follows: Jody Aufrichtig, Warwick Corden-Lloyd, Alan Friedman, Bayline Capital Partners Inc., and Adri Botha.

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Short term benefits consist of consulting fees, payroll and other benefits paid to key management personnel.

Key Management Personnel	March 31, 2026	March 31, 2025
Short term benefits	103,735	573,071
Share-based compensation	99,004	68,311
Total	202,739	641,382

Balances

As at March 31, 2026, the Company held amounts totalling \$137,237 (March 31, 2025 - \$776,075) in accounts payable and accrued liabilities.

Subsequent Highlights

On April 23, 2026, the Company announced that it had entered into an amendment dated April 13, 2026 (the "Amendment") with GoldCoast and Psyence Therapeutics Corp, to the previously announced amalgamation agreement dated November 21, 2025. The Amendment accounts for the lapse of time, resulting in a revised formula for the proposed consolidation of the common shares of the Company to be completed.

On May 21, 2026, the Company held its annual general and special meeting of shareholders. At the meeting, shareholders approved matter relating to the Company's previously announced proposed amalgamation transaction.

On July 17, 2026, the CSE informed GoldCoast that following an internal Listing Application review, the CSE approved the listing subject to the following conditions:

- Completion of the Amalgamation Agreement previously dated November 30, 2025 and amended on dates April 13, 2026 and July 20, 2026 as described in Listing Statement.
- Completion of any and all outstanding CSE application documentation and the payment of fees pursuant to the Policies.
- The approval is valid for maximum of six months.

On July 20, 2026, the Company entered an amendment with GoldCoast and Psyence Therapeutics Corp, to the previously announced amalgamation agreement dated November 21, 2025. The Amendment accounts for the replacing the closing date by deleting "May 31, 2026" with "July 31, 2026".

Financial Instruments and Other Instruments

In the normal course of business, the Company is exposed to a variety of financial risks: credit risk, liquidity risk, foreign exchange risk and interest rate risk. These financial risks are subject to normal credit standards, financial controls, risk management as well as monitoring. The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

Credit risk

Credit risk arises from cash and cash equivalents, restricted cash, other receivables and loan to joint venture. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses on financial assets. The Company minimizes the credit risk of cash by depositing with only reputable financial institutions. The Company

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also assesses the credit quality of counterparties, taking into account their financial position, past experience and other factors.

Cash consists of bank balances and an amount held in trust by a brokerage firm as security for foreign currency exchanges. Other receivables mainly consist of federal sales tax credits.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

As at March 31, 2026, the Company's financial liabilities consist of account payable and accrued liabilities.

The Company manages liquidity risk through an ongoing review of future commitments and cash balances available. Historically, the Company's main source of funding has been the issuance of shares for cash, primarily through private placements. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity or debt funding.

The following table illustrates the contractual maturities of financial liabilities as at March 31, 2026:

Financial Instrument Maturity (\$)	Carrying amount	Contractual cash flows	Less than 1 year	Between 1 and 3 years
Accounts payable and accrued liabilities	137,237	137,237	137,237	-
Total	137,237	137,237	137,237	-

Foreign exchange risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency.

The Company operates internationally and is exposed to foreign exchange risk from the USD. Foreign exchange risk arises from transactions as well as recognized financial assets and liabilities denominated in foreign currencies.

A 10% adverse change in exchange rate would have resulted in a loss of \$38,029 as at March 31, 2026 (March 31, 2025 - \$881,291).

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has no significant interest-bearing assets or liabilities and therefore its income and operating cash flows are substantially independent of changes in market interest rates. Management therefore regards liquidity risk to be low.

Capital management

The Company's objectives when managing its capital are to safeguard its ability to continue as a going concern, to meet its capital expenditures for its continued operations, and to maintain a flexible capital structure which optimizes the cost of capital within a framework of acceptable risk. The Company manages its capital structure and adjusts it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust its capital structure, the Company may issue new common shares, issue debt, or acquire or dispose of assets. The Company is not subject to externally imposed capital requirements.

Management reviews its capital management approach on an ongoing basis. The Company considers its shareholders' equity balance as capital.

Risk Factors

An investment in the Company is subject to various risks and should be considered highly speculative.

Prior to making an investment decision, investors should consider the investment risks set forth below which are in addition to the usual risks associated with an investment in a business at an early stage of development. The directors of the Company consider the risks set forth below to be the most significant, but do not consider them to be all of the risks associated with an investment in securities of the Company. If any of these risks materialize into actual events or circumstances or other possible additional risks and uncertainties of which the directors are currently unaware or which they consider not to be material in connection with the Company's business, actually occur, the Company's assets, liabilities, financial condition, results of operations (including future results of operations), business and business prospects, are likely to be materially and adversely affected. In such circumstances, the price of the Company's securities could decline, and investors may lose all or part of their investment.

Inability to close the GoldCoast Amalgamation

There can be no assurance that the Amalgamation will be completed as proposed or at all. Risks associated with the Amalgamation include an inability to satisfy CSE listing requirements, risks relating to changes in market conditions and political or regulatory developments in Canada or Ghana. Upon completion, GoldCoast shareholders are expected to hold approximately 90 to 95% of the issued and outstanding shares of the Company (as a resulting issuer) on a non-diluted basis and subject to adjustment, leading to significant dilution of the shareholding of the Company's existing shareholder base. Initial lack of business diversification and post-closing risk associated with the GoldCoast business

Because the Company is currently advancing the Amalgamation with GoldCoast, upon completion of the transaction (described in more detail in the section titled *Development of the business*), the resulting issuer is expected to pursue the business of GoldCoast, being mainly the pursuit of environmentally responsible shallow-water mineral exploration of the south coast of Ghana in the Atlantic Ocean (being the GoldCoast Project described in more detail in the section titled *Business Overview and Discussion of Operations*). The prospects for the Company's success will be dependent upon the future performance and market for gold. Unlike certain entities that have the resources to develop and explore numerous mining opportunities or minerals or operate in multiple industries, the Company does not anticipate having the ability to immediately diversify or benefit from the possible spreading of risks or offsetting of losses. Furthermore, GoldCoast's current major projects are the Ghana project. Unless GoldCoast acquires or develops additional project, it will be mainly dependent upon this project. If no additional major mineral related assets are acquired by GoldCoast, any adverse development affecting this asset would have a material adverse effect on the resulting issuer's financial condition and results of operations.

Should the GoldCoast Amalgamation, as described in more detail in the section titled *Development of the business*), close as anticipated, an investment in the Company, which shall effectively become an investment in the post-GoldCoast Amalgamation resulting issuer, should be considered highly speculative and investors may incur a loss. The post-GoldCoast Amalgamation resulting issuer and GoldCoast business is subject to several risk factors, including, but not limited to: inherent risks of mineral exploration, development, and operation activities; fluctuations in the price of gold; access to capital/liquidity; negative cash flow from operations; dependence on the GoldCoast Project; no operating history; risks of operating in Ghana; permitting and licensing risks; global financial conditions; potential impact of tariffs; rising inflation; no guarantee of positive return on investment; title to mineral properties; intense competition in mining industry; insurance risks; and environmental matters.

There is no assurance that the Company will become profitable or pay dividends

There is no assurance as to whether the Company will become profitable or pay dividends. The Company has incurred and anticipates that it will continue to incur substantial expenses relating to the development and initial operations of its business. The payment and amount of any future dividends will depend upon, among other things, the Company's results of operations, cash flow, financial

condition and operating and capital requirements. There is no assurance that future dividends will be paid, and, if dividends are paid, there is no assurance with respect to the amount of any such dividends.

Material uncertainty about the Company's ability to continue as a going concern

The Company's ability to continue as a going concern is dependent upon its ability to raise funding, generate revenue and achieve profitable operations and, in the meantime, to obtain the necessary financing to meet its obligations and repay its liabilities when they become due. External financing, predominantly by the issuance of equity and debt, will be sought to finance the operations of the Company; however, there can be no certainty that such funds will be available at terms acceptable to the Company, or at all.

Additional Risks related to doing Business Internationally

International markets will be a focus for expansion and revenue growth for the Company. Several factors, including legal and regulatory compliance and weakened economic conditions in any of the international jurisdictions in which the Company expects to do business or have projects, could adversely affect such expansion and growth. Additionally, the Company's entry into new international jurisdictions requires management attention and financial resources that would otherwise be spent on other parts of the business. Some of the countries in which the Company expects to conduct business and sell products are, to some degree, subject to political, economic, and/or social instability. International business operations expose the Company to risks and expenses inherent in operating or selling products in foreign jurisdictions, and developing and emerging markets in particular, where these risks may be heightened. In addition to the risks mentioned elsewhere, these risks and expenses could have a material adverse effect on the Company's business, results of operations or financial condition and include without limitation:

- adverse currency rate fluctuations;
- risks associated with complying with laws and regulations in the countries in which the Company expects to conduct business and sell products, and requirements to apply for and obtain licenses, permits or other approvals and the delays associated with obtaining such licenses, permits or other approvals;
- multiple, changing and often inconsistent enforcement of laws, rules and regulations;
- risks associated with reliance on international agents and representatives, including the possible failure of such agents and representatives to appropriately understand, represent and effectively market the Company's products;
- the imposition of additional foreign governmental controls or regulations, new or enhanced trade restrictions or non-tariff barriers to trade, or restrictions on the activities of foreign agents, representatives and distributors;
- increases in taxes, tariffs, customs and duties, or costs associated with compliance with import and export licensing and other compliance requirements;
- the imposition of restrictions on trade, currency conversion or the transfer of funds or limitations;
- the imposition of Canadian and/or other international sanctions against a country, company, person or entity with whom the Company does business that would restrict or prohibit the Company's ability to hold partnerships with or indirect interests in operations in emerging markets in which the Company may have an interest;
- downward pricing pressure on the Company's products in the international markets, due to competitive factors or otherwise;
- laws and business practices favouring local companies;

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- political, social or economic unrest or instability, including without limitation military conflicts and acts of terrorism, military repression, war or civil war, social and labour unrest, organized crime, hostage-taking and violent crime;
- expropriation and nationalization and/or renegotiation or nullification of necessary licenses, approvals, permits and contracts;
- greater risk on credit terms, longer payment cycles and difficulties in enforcing agreements and collecting receivables through certain foreign legal systems; and
- the effect of disruptions caused by severe weather, natural disasters, outbreak of disease or other events that make travel to a particular region less attractive or more difficult.

Governments in certain foreign jurisdictions intervene in their economies, sometimes frequently, and occasionally make significant changes in policies and regulations. Operations may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on doing business, price controls, export controls, currency remittance, importation of product and supplies, income and other taxes, royalties, the repatriation of profits, expropriation of property, foreign investment, maintenance of concessions, licenses, approvals and permits, environmental matters, land use, land claims of local people, water use and workplace safety. Furthermore, some of the Company's operations are conducted in parts of the world that experience illegal business and sales practices or corruption or are operated under legal systems susceptible to undue influences to some degree. Although the Company has policies and procedures in place that are designed to promote legal and regulatory compliance, the employees, business partners and consultants of the Company could take actions that violate applicable anticorruption laws or regulations. Violations of these laws, or allegations of such violations, could result in loss, reduction or expropriation and/or have a material adverse effect on the Company's business, results of operations or financial condition. The Company's international efforts may not produce desired levels of sales. If and when the Company enters into new markets in the future, it may experience different competitive conditions and/or different customer requirements. As a result, the Company may be less successful than expected in expanding sales in its future targeted international markets. Sales into new international markets may take longer to ramp up and reach expected sales and profit levels, or may never do so, thereby affecting the Company's overall growth and profitability. To build brand awareness in these new markets, the Company may need to make greater investments in legal compliance, advertising and promotional activity than originally planned, which could negatively impact the expected profitability of sales in those markets. These or one or more of the other factors listed above may harm the Company's business, results of operations or financial condition.

The Company will continue to monitor developments and policies in the emerging markets in which it will operate and assess the impact thereof to its operations, however such developments cannot be accurately predicted and could have an adverse effect on the Company's operations or profitability.

Development of the Business of the Company

The development of the business of the Company and its ability to execute on its expansion opportunities described herein will depend, in part, upon the amount of additional financing available. Failure to obtain sufficient financing may result in delaying, scaling back, eliminating or indefinitely postponing expansion opportunities and the business of the Company's current or future operations. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be acceptable to the Company. In addition, there can be no assurance that future financing can be obtained without substantial dilution to existing shareholders.

Personnel

The Company has a small management team, and the loss of any key individual could affect the Company's business. Additionally, the Company will be required to secure additional personnel to

facilitate its marketing and product development initiatives. Any inability to secure and/or retain appropriate personnel may have a materially adverse impact on the business and operations of the Company.

The Continued Development of the Company and its Business will require Additional Financing

The failure to raise additional capital could result in the delay or indefinite postponement of current business objectives or the Company going out of business. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be favourable to the Company.

If additional funds are raised through issuances of equity or convertible debt securities, existing shareholders could suffer significant dilution, and any new equity securities issued could have rights, preferences and privileges superior to those of holders of common shares

The Company's articles permit the issuance of an unlimited number of common shares, and shareholders will have no pre-emptive rights in connection with such further issuance. The directors of the Company have discretion to determine the price and the terms of issue of further issuances. Moreover, additional common shares will be issued by the Company on the exercise of options under the Company option plan and restricted share units under the Company restricted share unit plan, and upon the exercise of the Company's outstanding warrants. In addition, from time to time, the Company may enter into transactions to acquire assets or shares of other companies. These transactions may be financed wholly or partially with debt, which may temporarily increase the Company's debt levels above industry standards. Any debt financing secured in the future could involve restrictive covenants relating to capital raising activities and other financial and operational matters, which may make it more difficult for the Company to obtain additional capital and to pursue business opportunities, including potential acquisitions.

Limited Market for Securities

The common shares are listed on the CSE, however, there can be no assurance that a continued active and liquid market for the common shares will be maintained.

No Operating History

Both the Company and GoldCoast are early-stage enterprises and subject to many of the risks common to early-stage enterprises, including under-capitalization, cash shortages, limitations with respect to personnel, financial, and other resources and lack of revenues.

There is no assurance that the Company, or the post-Amalgamation resulting issuer, will be successful in achieving a return on its investment.

Risks may include:

- risks that it may not have sufficient capital to achieve its growth strategy;
- risks that it may not develop its product and service offerings in a manner that enables it to be profitable and meet its customers' requirements;
- risks that its growth strategy may not be successful;
- risks that fluctuations in its operating results will be significant relative to its revenues; and
- risks relating to an evolving regulatory regime.

The Company's growth will depend substantially on its ability to address these, and the other risks described in this section. If it does not successfully address these risks, its business may be significantly harmed.

The Company's actual financial position and results of operations may differ materially from the expectations of the Company's management

The Company's actual financial position and results of operations may differ materially from management's expectations. As a result, the Company's revenue, net income and cash flow may differ materially from the Company's internally projected revenue, net income and cash flow. The process for estimating the Company's revenue, net income and cash flow requires the use of judgement in determining the appropriate assumptions and estimates. These estimates and assumptions may be revised as additional information becomes available and as additional analyses are performed. In addition, the assumptions used in planning may not prove to be accurate, and other factors may affect the Company's financial condition or results of operations.

Insurance Coverage

The Company's business is subject to a number of risks and hazards generally, including adverse environmental conditions, accidents, product liability, infrastructure risks, litigation risks, and changes in the regulatory environment. Such occurrences could result in damage to assets, personal injury or death, environmental damage, delays in operations, monetary losses and possible legal liability. Although the Company maintains insurance to protect against certain risks in such amounts as it considers to be reasonable, its insurance does not cover all the potential risks associated with its operations. The Company may also be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. Moreover, insurance against risks such as environmental pollution or other hazards encountered in the operations of the Company is not generally available on acceptable terms. The Company might also become subject to liability for pollution or other hazards which may not be insured against or which the Company may elect not to insure against because of premium costs or other reasons. Losses from these events may cause the Company to incur significant costs that could have a material adverse effect upon its financial performance and results of operations.

If the Company is unable to attract and retain key personnel, it may not be able to compete effectively

The Company will depend upon its ability to attract and retain key management, including the Company's directors, officers and technical experts. The Company will attempt to enhance its management and technical expertise by continuing to recruit qualified individuals who possess desired skills and experience in certain targeted areas. The Company's inability to retain employees and attract and retain sufficient additional employees or engineering and technical support resources could have a material adverse effect on the Company's business, results of operations, sales, cash flow or financial condition. Shortages in qualified personnel or the loss of key personnel could adversely affect the financial condition of the Company or results of operations of the business. The loss of any of the Company's senior management or key employees could materially adversely affect the Company's ability to execute the Company's business plan and strategy, and the Company may not be able to find adequate replacements on a timely basis, or at all. The Company does not maintain key person life insurance policies on any of the Company's employees.

No guarantee on the use of available funds by the Company

The Company cannot specify with certainty the particular uses of its available funds. Management has broad discretion in the application of its available funds. Accordingly, shareholders will have to rely upon the judgment of management with respect to the use of available funds, with only limited information concerning management's specific intentions. The Company's management may spend a portion or all of the available funds in ways that the Company's shareholders might not desire, that might not yield a favourable return and that might not increase the value of a shareholder's investment. The failure by management to apply these funds effectively could harm the Company's business. Pending use of such funds, the Company might invest available funds in a manner that does not produce income or that loses value.

Management of Growth

The Company may be subject to growth-related risks, including capacity constraints and pressure on its internal systems and controls. The ability of the Company to manage growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train and manage its employee base. The inability of the Company to deal with this growth may have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

Material Contracts

The following are the material contracts, other than contracts in the ordinary course of business, and material contracts in the ordinary course of business required to be listed, that were entered into by the Company in the current financial period or prior to this period and are still in effect as of the date of this MD&A:

- Company's new stock option plan, confirmed for adoption at the 2021 AGM;
- Amendments to the Company's existing restricted share unit plan approved at the 2021 AGM, as further amended by the Board on February 16, 2022;
- Lock-Up Agreement with PBM and certain of PBM's shareholders (now expired);
- Filament R&D IP Agreement (now assigned to PBM);
- Filament Commercial Term Sheet (now terminated);
- First Addendum to the R&D IP Agreement and Commercial Term Sheet;
- Call Option Agreement concluded with PsyLabs (now exercised);
- First Addendum to the Call Option Agreement concluded with PsyLabs (now exercised);
- Promissory Note, dated January 25, 2024, with PBM (now extinguished);
- Debt-for-Equity Swap Agreements dated September 30, 2024 and October 25, 2024 respectively with PBM, as amended by way of a First Addendum dated November 26, 2024;
- PsyLabs Sale Agreement dated September 17, 2024 with PBM, as amended by way of a First and Second Addendum dated September 27, 2024 and November 26, 2024 respectively;
- Letter of Intent concluded with GoldCoast dated August 20, 2025;
- Loan Agreement concluded with GoldCoast dated August 20, 2025 (as amended on November 21, 2025; May 27, 2026 and June 29, 2026); and
- Amalgamation Agreement concluded with GoldCoast dated November 21, 2025 (amended February 24, 2026; April 13, 2026 and July 20, 2026).

Copies of these material contracts are available under the Company's SEDAR profile at www.sedar.com

Additional Information

All additional information relating to the Company is available on SEDAR at www.sedar.com



Psyence Group Inc.

Management Discussion & Analysis (MD&A)
for the year ended
March 31, 2025

Date of the MD&A:
July 28, 2025

Registration number: 1074709

LEI: 549300RPEOIVSD0MJC07

www.psyence.com

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Psyence Group Inc.

Management Discussion & Analysis

Dated: July 28, 2025

The following information should be read in conjunction with the audited condensed consolidated financial statements for the year ended March 31, 2025 of Psyence Group Inc. (the "**Company**" or "**Psyence**"), which are prepared in accordance with International Financial Reporting Standards ("**IFRS**"). All figures are expressed in Canadian dollars unless otherwise indicated.

Forward-Looking Information

This Management Discussion & Analysis ("**MD&A**") contains forward-looking statements and forward-looking information as such terms are defined under applicable Canadian securities laws. These forward-looking statements and forward-looking information include, but are not limited to, statements with respect to management's expectations regarding the future growth, results of operations, performance and business prospects of the Company, and relate to, without limitation:

- the Company's research and development plans, business model, strategic objectives and growth strategy;
- the Company's future growth plans;
- anticipated trends and challenges in the Company's business and the markets in which it operates;
- the future demand for psilocybin and psilocybin mushroom products from time to time produced, supplied, or distributed by the Company;
- the Company's expectations regarding regulatory requirements and developments in the jurisdictions in which it operates;
- the approval of regulatory bodies of psychedelic substances including psilocybin for the treatment of various health conditions;
- controlled substances laws;
- the Company's ability to obtain the issue and/or renewal of licenses and regulatory authorizations for its business operations;
- the Company's estimate of the size of the potential markets for its products;
- the Company may not develop its product and service offerings in a manner that enables it to be profitable and meet its customers' requirements;
- risks that its growth strategy may not be successful;
- risks that fluctuations in its operating results will be significant relative to its revenues;
- risks relating to an evolving regulatory regime related to psilocybin and psychedelic products;
- risks relating to operations based in its emerging markets;
- the continuation of the Company as a going concern;
- the Company's intellectual property;
- the growth of competition from other companies in the industry;
- the Company's actual financial position and results of operations may differ materially from the expectations of the Company's management;
- the Company's exposure to fluctuations in foreign currencies; and
- the Company's expectations regarding the sufficiency of its cash for funding non-development related expenditures and future cash balances.

These forward-looking statements and forward-looking information may also include other statements that are predictive in nature, or that depend upon or refer to future events or conditions. Without

limitation, the words "may", "will", "would", "should", "could", "expect", "plan", "intend", "trend", "indicate", "assume", "anticipate", "believe", "estimate", "predict", "likely" or "potential", or the negative or other variations of these words or other comparable words or phrases, are intended to identify forward-looking statements. In addition, any statements that refer to expectations, projections or other characterizations of future events or circumstances contain forward-looking information. Forward-looking statements and forward-looking information are not historical facts but instead represent management's expectations, estimates and projections regarding future events.

With respect to forward-looking statements and forward-looking information contained in this MD&A, assumptions have been made regarding, among other things: future research and development plans for the Company proceeding substantially as currently envisioned, future expenditures to be incurred by the Company, research and development and operating costs, additional sources of funding, the impact of competition on the Company and the Company being able to obtain financing on acceptable terms.

Although management believes the expectations reflected in such forward-looking statements and forward-looking information are reasonable, forward-looking statements and forward-looking information are based on the opinions, assumptions and estimates of management at the date the statements are made, and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements and forward-looking information.

These risks, uncertainties and factors include, but are not limited to: risks, uncertainties and the results of the development of the Company's future products, its ability to establish lawful distribution networks for such products, and the timing thereof; the Company may not have sufficient capital to achieve its growth strategy; risks that its growth strategy may not be successful; regulatory policies concerning psilocybin products; development of laws governing controlled substances; the ability to obtain the issuance of and/or renewal of and/or approvals for licences and authorizations; competition from other companies; clinical trial results; limitations on insurance coverage; the timing and amount of estimated capital expenditure in respect of the business of the Company; operating expenditures; success of marketing activities; estimated budgets; currency fluctuations; requirements for additional capital; the timing and possible outcome of litigation in future periods; goals; strategies; future growth; planned business activities and planned future acquisitions; the adequacy of financial resources; and other events or conditions that may occur in the future.

In addition, if any of the assumptions or estimates made by management prove to be incorrect, actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in, or incorporated by reference into, this MD&A. Accordingly, readers are cautioned not to place undue reliance on such statements.

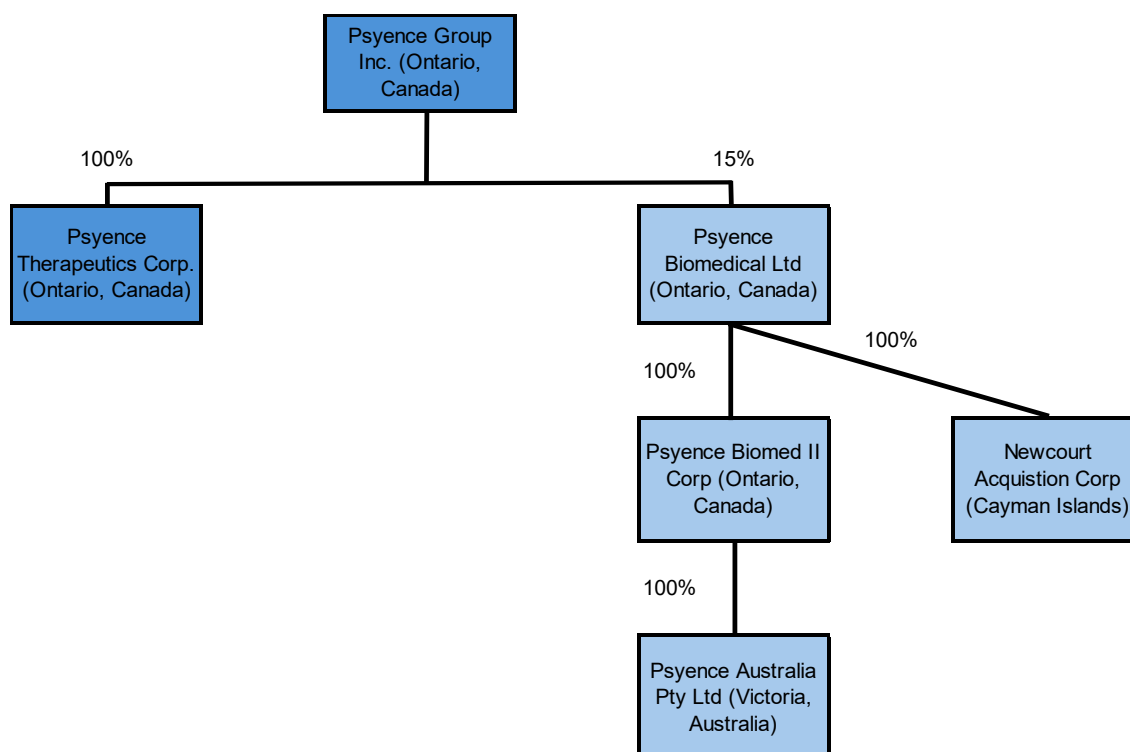
All of the forward-looking statements and forward-looking information in this MD&A are qualified by these cautionary statements. Statements containing forward-looking statements and/or forward-looking information contained herein are made only as of the date hereof. The Company expressly disclaims any obligation to update, revise or alter statements containing any forward-looking statements or forward-looking information, or the factors or assumptions underlying them, whether as a result of new information, future events or otherwise, except as required by law. New factors emerge from time to time, and it is not possible for the Company to predict which factors may arise. In addition, the Company cannot assess the impact of each factor on the Company's business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements or forward-looking information.

Overview

Corporate Structure

The Company is a life science biotechnology company listed on the Canadian Securities Exchange (CSE:PSYG), with a focus on natural psychedelics. We commenced the clinical trial process to evaluate the safety and efficacy of our erstwhile drug candidate, the development of which has been taken over by an affiliate company, Psyence Biomedical Ltd ("**PBM**"), the world's first life science biotechnology company traded on the Nasdaq (NASDAQ: PBM) that is focused on the development of botanical (nature derived, or non-synthetic) psilocybin-based psychedelic medicines, and which works with natural psilocybin products for the healing of psychological trauma and its mental health consequences in the context of palliative care.

The below diagram shows the corporate structure of Psyence Group Inc. as at March 31, 2025:



Notes:

1. The Company transferred its shareholding in Good Psyence, Psyence South Africa, Mind Health, and Psyence UK Group to Psyence Labs Ltd ("**PsyLabs**"), a third-party private company, as part of the strategic restructuring of its non-clinical business (described in more detail below in the section titled *Development of the business - Strategic Restructuring of Business Units*). On September 17, 2024, the Company entered into an agreement (the "**PsyLabs Sale Agreement**") with PBM whereby PBM acquired the Company's entire shareholding in PsyLabs effective October 28, 2024.
2. As at March 31, 2025, the Company held 82,859 common shares in PBM which equates to approximately 15%.
3. In May 2025, the Company disposed of its entire shareholding in PBM to third party investors. As a result, the Company lost control over PBM.

Development of the business

Psyence Biomed Corp. ("**PBC**") was a private corporation incorporated under the laws of British Columbia. Effective July 21, 2023 PBC was continued under the laws of the Province of Ontario. It was a wholly owned subsidiary of the Company, and also referred to as the Psyence Therapeutics division.

The Psyence Group was created through a business combination of Psyence Biomed Corp. with Cardinal Capital Partners Inc., a public company, in January 2021, resulting in the Company's public listing in Canada.

The Company and PBC concluded their amalgamation on January 16, 2024, with the Company being the surviving entity (the "**Amalgamation**"). The Company therefore remains the holding company of the subsidiaries of the group.

Business Combination

On January 9, 2023 the Company announced that it had entered into a definitive business combination agreement (the "**Business Combination Agreement**") with Newcourt Acquisition Corp (NASDAQ: NCAC), a special purpose acquisition company ("**SPAC**") formed for the purpose of acquiring or merging with one or more businesses ("**Newcourt**"). Newcourt has entered into the Business Combination Agreement with PBC, in order to create a public company leveraging natural psilocybin in the treatment of palliative care ("**Business Combination**"). This Business Combination Agreement was amended and restated on July 31st, 2023. Further details of the Business Combination are set out in the section titled *Business Overview - Psyence Therapeutics*).

Canadian Restructuring to Facilitate the Business Combination (as described in more detail below in the section titled *Business Overview - Psyence Therapeutics*)

For purposes of facilitating the Business Combination, the Company incorporated PBM and Psyence Biomed II Corp (the "**Target**"), wholly-owned subsidiaries incorporation under the laws of the Province of Ontario, on June 29, 2023 as well as Psyence (Cayman) Merger Sub ("**Merger Sub**") an exempted company incorporated in the Cayman Islands on July 26, 2023. On January 22, 2024, the Company transferred 100% of its shareholding in Psyence Australia to the Target. On January 25, 2024, Merger Sub merged into Newcourt with Newcourt being the surviving entity under the laws of the Cayman Islands. Upon the close of the Business Combination effective January 25, 2024, the Company owned approximately 37% of the common shares in PBM. As at the date hereof, the Company had disposed of all the common shares in PBM. As a result, the Company lost control over PBM.

Strategic Restructuring Of Business Units

The Company entered into a privatisation agreement with Psyence Labs Ltd ("**PsyLabs**") on April 1, 2024. PsyLabs is incorporated under the laws of the British Virgin Islands. The transaction involved the strategic restructuring of the Company's non-clinical business whereby the Company transferred its non-clinical subsidiaries Mind Health (Pty) Ltd (Lesotho) and Psyence South Africa (Pty) Ltd (South Africa), the vehicles housing the psilocybin cultivation, extraction, and production operations in Southern Africa, and Psyence UK Group Ltd (UK), the entity engaged in Active Pharmaceutical Ingredient ("**API**") and IP development, and, Good Psyence (Pty) Ltd, the functional mushroom brand GOODMIND™ (together, the "**Non-Clinical Assets**") to PsyLabs which will be responsible for raising the private investment required and ongoing finance to continue the operations of the Non-Clinical Assets ("**Strategic Restructuring**"). The Company received an approximate share of 11% the PsyLabs group. The Company will retain sales and distribution rights for all products and services developed and offered by PsyLabs with the intention of creating a marketplace in the psychedelics industry.

On October 31, 2024 the Company announced that it disposed of its share in the PsyLabs group to PBM. Per the terms of the disposal, PBM issued 3,346 shares of its common stock to the Company, which common stock has since been sold by the Company.

Listing on CSE and board of directors

The Company listed on the Canadian Securities Exchange ("**CSE**") on January 27, 2021.

The board of directors and officers of the Company are comprised of Jody Aufrichtig (Chairman), Alan Friedman (director), Warwick Corden-Lloyd (director), and Adri Botha (CFO).

Psyence Group Inc and subsidiaries post CSE listing

On February 15, 2023 the Company incorporated a wholly owned subsidiary called "Psyence Australia (Pty) Ltd." in Victoria, Australia ("**Psyence Australia**"). This subsidiary was incorporated to conduct the clinical trial in Australia (described below) and apply for the Australian Federal Government's Research & Development tax incentive program, which provides up to a 43.5% rebate on Psyence's research and development expenses in Australia as described below. Prior to the Amalgamation and Business Combination, Psyence Australia was a wholly owned subsidiary of PBC. Post the Business Combination, it is now a wholly owned subsidiary of PBM, and the Company retains an indirect interest therein.

Outstanding Share Data

Security	As of March 31, 2025	At date of this MD&A
Common Shares	9,387,695	15,638,267
Options	403,936	403,936
Restricted Share Units (" RSUs ")	99,777	451,422
Common Shares on a fully diluted basis	9,891,409	16,493,625

Business Overview and Discussion of Operations

The Company is focussed on the sales and distribution of products and services for the psychedelic industry and was invested in two businesses, PBM (directly) upto May 2025 and PsyLabs (indirectly) upto October 2024. The Company will retain sales and distribution rights for all products and services developed and offered by PsyLabs with the intention of creating a marketplace therefor in the psychedelics industry. The Company's management team intends to expand its asset-light business model in addition to the marketing and distribution of PsyLabs' products and services, by minimizing asset maintenance costs through the Strategic Restructuring and identifying additional less capital-intensive opportunities in the psychedelics space.

Psyence Biomedical Ltd

PBM world's first life science biotechnology company traded on the Nasdaq ([NASDAQ:PBM](#)) focused on the development of botanical (nature derived, or non-synthetic) psilocybin-based psychedelic medicines. It uses an evidence-based approach to innovate as it works to develop safe and effective, nature-derived psychedelic therapeutics to treat a broad range of mental health disorders. PBM is initially focused on mental health disorders in the context of Palliative Care.

PBM had contracted iGENū Pty Ltd ("**iGENū**"), a contract research organization ("**CRO**") in Australia that specializes in the study of psychedelics, to conduct a Phase IIb double-blind, randomized, low-dose controlled clinical trial ("**Palliative Care Clinical Trial**") to assess the efficacy and safety of PEX010, a 25mg in-licensed proprietary botanical drug candidate, which will be sourced from Filament Health Corp (a clinical-stage natural psychedelic drug development company) ("**Filament**"), in psilocybin-assisted psychotherapy for the treatment of Adjustment Disorder (AjD) due to incurable cancer.

In May 2025, PBM transferred all clinical trial execution duties from iGENū to Southern Star Research Pty Ltd ("**Southern Star Research**"), a full-service Australian CRO and entered into a Master Services Agreement with Southern Star Research, in terms of which Southern Star Research will provide comprehensive CRO services for the Phase IIb Study.

Palliative Care Clinical Trial

The randomized, double-blind, placebo-controlled Phase IIb study will evaluate two therapeutic doses of nature-derived psilocybin (10mg, 25mg) against an active low-dose comparator (1mg) in 87 patients in conjunction with psychotherapy.

Psyence Labs Ltd

PsyLabs has a focus on extraction, production and R&D with strategic partners. It is working towards providing standardized natural pharmaceutical grade psilocybin products to clinicians, research centres and universities undertaking research and clinical trials in the use of natural psilocybin for the treatment of a range of mental health disorders and other medical conditions.

In addition hereto, PsyLabs owns, and will continue to develop, the Non-Clinical Assets acquired by it as part of the Strategic Restructuring and will continue to operate the business housed in Mind Health, Psyence South Africa, Good Psyence and Psyence UK.

As stated above, the Company has disposed of its entire shareholding in PsyLabs, however it will retain sales and distribution rights for all products and services developed and offered by PsyLabs with the intention of creating a marketplace therefore in the psychedelics industry.

Relationships with Third Parties

The Company's former Australian-based research and development was to be conducted by its licensed partner, and its CRO partner, iNGENū, in Australia. As stated above, Filament's PEX010 will serve as the drug candidate under investigation during the Palliative Care Clinical Trial now being conducted in Australia by PBM following the implementation of the Business Combination.

The Company and Filament concluded an IP licensing agreement ("**R&D Licensing Agreement**"), relating to the supply and licensing of PEX010 by Filament in connection with the Palliative Care Clinical Trial. All right, title and interest in and to the R&D Licensing Agreement and the license contemplated therein has been assigned from the Company to PBM so that PBM may pursue the execution of the Palliative Care Clinical Trial. The Company and Filament also concluded a binding term sheet (the "**Commercial Term Sheet**"), relating to the commercial licensing of PEX010, which remained subject to the terms of a definitive agreement. Following further discussions, the parties mutually agreed to terminate the Commercial Term Sheet. Filament will continue to support the supply of PEX010 for the Palliative Care Clinical Trial.

On August 13, 2024, PBM announced that it had concluded a non-binding Letter of Intent with Optimi Health Corp. (CSE: OPTI) (OTCQX: OPTHF) (FRA: 8BN) ("**Optimi**"), a GMP-approved, Health Canada licensed psychedelics pharmaceutical manufacturer specializing in botanical psilocybin and MDMA. This arrangement would position Optimi as the exclusive supplier of GMP nature-derived (non-synthetic) psilocybin extract for PBM's global drug development and commercialization initiatives for FDA-approved use in the Palliative Care context.

All contracts material to the Psyence Therapeutics business and the Palliative Care Clinical Trial (constituting the clinical assets) have been assigned by the Company to PBM as part of the implementation of the Business Combination. All contracts material to the Non-Clinical Assets have been assigned to PsyLabs as part of the implementation of the Strategic Restructuring.

The Company will retain sales and distribution rights for all products and services developed and offered by PsyLabs. The Company will also be entitled to a 3.5% royalty on net sales generated through the Non-Clinical Assets with respect to the intellectual property transferred as part of the Strategic Restructuring for a period of 7.5 years.

Update on Significant Milestones and Business Objectives

The below table is intended to provide an update, as at March 31, 2025 on the Company's business objectives and milestones as disclosed in the Company's Listing Statement dated January 25, 2021 ("**Listing Statement**"). The Company provides below the status of these milestones, the actual or revised estimated costs and the revised date of expected completion thereof, if applicable. Further, the Company has included additional objectives and milestones that have been identified since the date of the Listing Statement.

The following are "forward-looking statements" and accordingly, there is no guarantee that such milestones will be achieved on the timelines indicated, or at all. All milestones and business objectives are subject to the regulations and laws governing the jurisdictions in which Psyence operates. Forward-

PSYENCE GROUP INC.
Management's Discussion and Analysis

looking statements are based on management's current expectations and are subject to a number of risks, uncertainties, and assumptions. Please refer to "Forward-Looking Information" above and "Risk Factors" below for more information.

Objective	Milestones ⁽¹⁾	Prior Estimated Cost in Listing Statement ⁽²⁾	Actual or Revised Estimated Cost (January 25, 2021 to December 31, 2024)	Actual/ Estimated Timeframe for Completion ⁽³⁾	Status
Psyence Production (Cultivation and Production)	Capital Expenditure Phase 1.	\$100,000	\$105,168	Q2 2021	Completed
	Commencing of cultivation including first harvest, sourcing of spores and hiring of mycologist and microbiologist. ⁽⁴⁾	\$20,500	\$19,015	Q1 2021 and Q2 2021	Completed
	First export ⁽⁵⁾	\$40,000	\$14,270	Q3 2022	Completed
	Ongoing cultivation and production expenditure. ⁽⁶⁾	\$70,500	\$487,992	N/A	Transferred to PsyLabs April 1, 2024
	Scale up of Production Facility. ⁽⁷⁾	Nil	\$150,978	Q2 2022	Completed
Psyence Therapeutics (Observational Studies)	Data collection from 3 rd party patient cohorts. ⁽⁸⁾	\$360,000	Nil	Q1 2022	Cancelled
	Observational studies at Lesotho.	\$361,000	Nil	N/A	Cancelled
	Observational studies of Animal Seizure Model. ⁽⁹⁾	Nil	\$16,205	Q1 2023	Completed
Psyence Therapeutics and Psyence Function (Product Development)	Hiring of product development specialist. ⁽¹⁰⁾	\$85,000	\$54,708	N/A	Cancelled
	Engage consultants to develop slow-release product. ⁽¹¹⁾	\$130,000	\$28,471	Q4 2021	Cancelled
	Development of formulation.	\$137,000	Nil	N/A	Cancelled
	Commence clinical observational studies. ⁽¹²⁾	\$713,000	Nil	N/A	Cancelled
	Launch of functional mushroom brand, "GOODMIND". ⁽¹³⁾	Nil	\$330,458	Q2 2022	Completed
Psyence Therapeutics (Scientific Research and Clinical Trials)	Collaboration Agreement with SRC Phase 1, 2 and 3: Product and Protocol development, collection and storage of mushroom strains. ⁽¹⁴⁾	Nil	\$85,500	N/A	Ceased
Psyence Therapeutics (Extraction of Psilocybin and Research)	Finalize JV with Pure Extracts Technologies Corp.	Nil	\$2,000	Q2 2021	Completed
	Pure Extracts Technologies Corp. will facilitate the importation of psychedelic	Nil	N/A	N/A	Ceased

PSYENCE GROUP INC.
Management's Discussion and Analysis

	mushrooms into Canada.				
	Partnership Agreement with Eden for extraction and product development. ⁽¹⁵⁾	Nil	\$1,207,821	Q4 2023	Completed
Psyence Therapeutics (Clinical Trials)	Partnership agreement with Clerkenwell Health to jointly design UK clinical trials. ⁽¹⁶⁾	Nil	\$267,457	Q2 2022	Completed
	Licensing agreement with Filament Health Corp. ⁽¹⁷⁾	Nil	\$225,000	Q2 2022 and Q3 2023	Completed
	Product development with a Contract Development & Manufacturing Partner. ⁽¹⁸⁾	Nil	\$97,874	N/A	Transferred to PsyLabs April 1, 2024
	LOI with iGENū to jointly design and deliver Phase IIb clinical trials in Australia. ⁽¹⁹⁾	Nil	\$ 105,618	Q1 2023	Completed
	iGENū MSA signed with iGENū to jointly design and deliver Phase IIb clinical trials in Australia. ⁽²⁰⁾	Nil	\$3,539,902	N/A	Transferred to PBM January 25, 2024
	Business combination between wholly owned subsidiary Psyence Biomed Corp. and Nasdaq listed Newcourt Acquisition Corp. ⁽²¹⁾	Nil	\$467,687	NA	Transferred to PBM January 25, 2024
	TOTAL	\$2,017,000	\$7,206,124		

Notes:

- (1) There may be sound business reasons underlying the Company's decision to reallocate funds or not to proceed with a milestone.
- (2) These were, and still are, subject to receipt of necessary approvals, including the academic and scientific organizations with which the Company is working.
- (3) Based on a calendar year-end.
- (4) The Company concluded its first cultivation and harvest cycle of natural medical psilocybin mushrooms in January 2021. The Company hired a mycologist who started in May 2021. Such cultivation and production operations are now under the control of PsyLabs.
- (5) The Company received an import permit for raw psilocybin material from Health Canada on behalf of Psilo Scientific and from the Portuguese regulators on behalf of Cooperativa de Ensino Superior Politécnico e Universitário (CESPU) in Portugal. The export took place in August 2022 after the Company secured an export permit from Lesotho. The Company has ceased business activities in Jamaica and has exported products to Canada, Portugal and the UK.
- (6) This includes work performed to achieve BSI certification as well as ongoing annual fees. The annual fees are ZAR80,000 (eighty thousand South African Rands).
- (7) The Company expanded its laboratory facility in Lesotho and added an overarching roof structure to cover the operations area. Construction work was completed in Q2 2022.
- (8) The Company had entered into a Research Collaboration Agreement with MycoMeditations Inc. for research and development based observational studies that have been completed. This project was cancelled due to the realignment of the Company's strategy.
- (9) The Company had entered into a Research Collaboration Agreement with the University of Toronto for research and development based observational studies of the effects of psilocybin in an Animal Seizure Model. The cost was \$16,205.
- (10) A service level agreement was entered into with Singapore-based medical biology, forensic science and product development company Base Pair Global Pte. Ltd ("**BPH**"). BPH completed the evaluation of the development of nutritional products and the Company concluded that it would not proceed with the program in order to prioritize the launch of the functional mushroom brand, GOODMIND™. The agreement with BPH was terminated in August 2021 by way of mutual agreement.

- (11) The Company entered a 3-month agreement with a consultant in August 2021 to start September 1, 2021, initially to develop the slow-release product with BPH, however the Company decided to prioritize the development and marketing of GOODMIND™.
- (12) The Company revised its strategy to allocate resources and funds to its Palliative Care Clinical Trial. The Palliative Care Clinical Trial is now under the control of PBM.
- (13) The Company entered a 50/50 joint venture through a South African-based special purpose vehicle, Good Psyence. The Company launched its functional mushroom brand, GOODMIND™, through Good Psyence in August 2021. The product was launched in the UK in Q4 2022. The joint venture has since been dissolved and the GOODMIND™ brand is now under the control of PsyLabs.
- (14) As mentioned in note 5, the Company has ceased business activities in Jamaica.
- (15) The Company entered a partnership agreement with Eden. The partnership contemplated a global IP licencing agreement for the commercialization by the Company for the extraction technology and formulation IP developed by Eden to produce a water soluble, doseable, stabilized psilocybin powder naturally derived from the fruiting bodies of psilocybin-yielding mushrooms cultivated and processed at the federally licensed certified facility in Southern Africa. The specific terms of this global IP licencing agreement were not finalised. The cost was \$1,207,821 for the extraction machine.
- (16) The Company and Clerkenwell Health were responsible for jointly designing UK clinical trials. Clerkenwell Health assisted the Company in establishing procedures and protocols required to successfully run a clinical trial and gain regulatory approval for the Company's envisaged psilocybin-containing product range. The cost was \$267,457.
- (17) The Company had entered into an exclusive licencing agreement with Filament Health for the development of natural psilocybin products in respect of phase II clinical trials as well as an exclusive licencing agreement for the commercialisation of such products in respect of the phase III and commercialisation phase of drug development. The agreement was fulfilled at a cost of \$225,000.
- (18) The Company has partnered with a Contract Development and Manufacturing Partner in the UK for the development of standardised pharmaceutical grade psilocybin and psilocin extracts. The cost is \$97,874. The Palliative Care Clinical Trial is now under the control of PBM.
- (19) The Company signed a Letter of Intent with Australian CRO iNGENU to execute the clinical development of psilocybin within palliative care. The LOI centres around the Company's global development and regulatory strategy of its licensed compound PEX010 in palliative care in Phase II clinical trials.
- (20) The Company signed a Master Services Agreement with Australian CRO iNGENU to execute the clinical development of psilocybin within palliative care. The commencement, regulatory services and site selection have been completed. The cost for the clinical trial is estimated to be \$3,539,902.
- (21) The business combination between wholly owned subsidiary Psyence Biomed Corp. and Nasdaq listed Newcourt Acquisition Corp. was closed on January 25, 2024.

The allocation of capital towards the Company's ongoing projects and programs is largely dependent on the success, or difficulties encountered, in any part of the process and therefore the time involved in completing it. The time and cost associated with each step are highly dependent on the incremental results of each step and the Company's need to be flexible in reallocating capital to projects whose results show greatest potential. As such, it is difficult for the Company to anticipate the timing and costs associated with taking the projects to the next phase. The Company cannot make assurances that the foregoing estimates will prove to be accurate, as actual results and future events could differ materially from those anticipated. Investors are cautioned not to put undue reliance on the foregoing estimates.

Update on Use of Proceeds

The Company has committed the following capital expenditures to meet its planned growth and fund development activities as of March 31, 2025, and the Company does not anticipate any changes to its previously made disclosure about the Company's intended use of proceeds except as described below.

The below table below sets out the anticipated use of the available funds and any variances to such use as described in the Listing Statement, and the Company's actual use of proceeds from financings and a private placement as at March 31, 2025. The current use of funds represents the total of the underspend/overspend. The Company notes that the below variances are not expected to have a material impact on the Company's ability to achieve its business objectives and milestones.

PSYENCE GROUP INC.
Management's Discussion and Analysis

Use of Available Funds		Previous disclosure regarding use of proceeds in Listing Statement	Actual use of Proceeds as at March 31, 2025 (January 25, 2021 – March 31, 2025)	Additional amounts allocated/(redistributed) at March 31, 2025	Current use of proceeds (April 1, 2024 – March 31, 2026)
Psyence Production (Cultivation and Production)⁽¹⁾	Capital Expenditure Phase 1	\$100,000	\$105,169	\$5,169	Nil
	Commencing of cultivation including first harvest, sourcing of spores and hiring of mycologist and microbiologist	\$20,500	\$19,015	(\$1,485)	Nil
	First export	\$40,000	\$14,270	(\$25,730)	Nil
	Ongoing cultivation and production expenditure	\$70,500	\$487,992	\$417,492	Nil
	Scale up of Production Facility	Nil	\$150,978	\$150,978	Nil
Psyence Therapeutics (Observational Studies)⁽²⁾	Data collection from 3 rd party patient cohorts	\$360,000	\$70,000	(\$290,000)	Nil
	Observational studies at Lesotho clinic	\$361,000	Nil	(\$361,000)	Nil
	Observational studies of Animal Seizure Model	Nil	\$16,205	\$16,205	Nil
Psyence Therapeutics and Psyence Function (Product Development)⁽³⁾	Hiring of product development specialist	\$85,000	\$54,708	(\$30,292)	Nil
	Engage consultants to develop slow-release product	\$130,000	\$28,471	(\$101,529)	Nil
	Development of formulation	\$137,000	Nil	(\$137,000)	Nil
	Commence clinical observational studies	\$713,000	Nil	(\$713,000)	Nil
	Launch of functional mushroom brand, "GOODMIND"	Nil	\$256,865	\$256,865	Nil
Psyence Therapeutics (Extraction of Psilocybin and Research)	Finalize Joint Venture with Pure Extracts Technologies Corp. ⁽⁴⁾	Nil	\$2,000	\$2,000	Nil
	Partnership Agreement with Eden for	Nil	\$1,207,821	\$1,207,821	Nil

PSYENCE GROUP INC.
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	extraction and product development ⁽⁵⁾				
Psyence Therapeutics (Clinical Trials)⁽⁵⁾	Collaboration Agreement with SRC Phase 1, 2 and 3: Product and Protocol development, collection and storage of mushroom strains	Nil	Nil	Nil	Nil
Psyence Therapeutics (Clinical Trials)	Partnership agreement with Clerkenwell Health to jointly design and deliver UK clinical trials ⁽⁶⁾	Nil	\$267,457	\$267,457	Nil
	Licensing agreement with Filament Health Corp ⁽⁷⁾	Nil	\$225,000	\$225,000	Nil
	Product development with a Contract Development & Manufacturing Partner	Nil	\$97,874	\$97,874	Nil
	LOI with Australian CRO iGENū to jointly design and deliver AUS Phase IIb clinical trials.	Nil	\$105,618	\$105,618	Nil
	Master Service Agreement signed with iGENū to jointly design and deliver Phase IIb clinical trials in Australia.	Nil	\$3,539,902	\$3,539,902	Nil
	Business combination between wholly owned subsidiary Psyence Biomed Corp. and Nasdaq listed Newcourt Acquisition Corp.	Nil	\$467,687	\$467,687	Nil
Other	Professional and consulting fees	\$630,000	\$12,635,396	\$12,650,000	\$664,604

PSYENCE GROUP INC.
Management's Discussion and Analysis

	General and Administrative ⁽⁸⁾	\$901,219	\$5,191,889	\$4,500,000	\$209,330
	Investment from Private Placement ⁽⁹⁾	Nil	(\$4,449,167)	(\$4,449,167)	Nil
	Investment from disposal of shares ⁽¹⁰⁾	Nil	(\$236,781)	(\$236,781)	Nil
	Total use of funds	\$3,548,219	\$20,258,369	\$17,564,084	\$853,934
	Unallocated working capital ⁽¹¹⁾	\$2,294,510			
TOTAL		\$5,842,729			

Notes:

- (1) The Company completed the capital expenditure on Phase 1 of the setting up of the laboratory and grow room. Additional costs of \$5,000 were spent on upgrading the grow room. The Company finished the cultivation and first harvest within the budget. The Company sourced a new mycologist during the first quarter of 2021. This change led to a change in cultivation methods and therefore the overspend on ongoing cultivation. Such cultivation and production operations are now under the control of PsyLabs.
- (2) The Company entered into a Research Collaboration Agreement with MycoMeditations Inc. for research and development based observational studies that have been completed. The actual spend for the period was \$70,000. This project was cancelled due to the realignment of the Company's strategy. In a separate initiative, the Company no longer anticipates conducting observational studies in Lesotho.
- (3) The Company revised its strategy and allocated resources and focus to its Palliative Care Clinical Trial. The Palliative Care Clinical Trial is now under the control of PBM. The Company entered a 50/50 partnership through a South African-based special purpose vehicle, Good Psyence. The Company launched its functional mushroom brand, GOODMIND™, through Good Psyence in August 2021. The product was launched in the UK in Q4 2022. The actual costs spend during the period was \$256,865. The joint venture has since been dissolved and the GOODMIND™ brand is now under the control of PsyLabs.
- (4) The Company finalized the set-up of the joint venture with Pure Extracts Technologies Corp. The costs spend to set-up Pure Psyence Corp. was \$2,000. The joint venture was dissolved on March 2, 2023.
- (5) The Company entered a partnership agreement with Eden. The partnership contemplated a global IP licencing agreement for the commercialization by the Company for the extraction technology and formulation IP developed by Eden to produce a water soluble, doseable, stabilized psilocybin powder naturally derived from the fruiting bodies of psilocybin-yielding mushrooms cultivated and processed at the federally licensed certified facility in Southern Africa. The specific terms of this global IP licencing agreement were not finalised. The cost was \$1,207,821 for the extraction machinery.
- (6) The Company and Clerkenwell Health were responsible for jointly designing and delivering UK clinical trials. Clerkenwell Health assisted the Company in establishing procedures and protocols required to successfully run a clinical trial to gain regulatory approval for the Company's envisaged psilocybin-containing product range. The actual cost spend was \$267,457.
- (7) The Company has ceased business activities in Jamaica and exported products to Canada, UK and Portugal. The Company has entered into a licensing agreement with Filament who will license its proprietary botanical drug candidate PEX010 (25mg), and the associated intellectual property for Psyence to use in the upcoming clinical trials.
- (8) General and administrative expenses are comprised of payroll consulting and benefits of \$1,169,962; office and administrative costs of \$2,830,414; sales and marketing investor relations costs of \$1,191,513.
- (9) Closing of third tranche of private placement of up to \$4.4 million
- (10) Disposal of PBM common shares in the open market. The proceeds from the sale were C\$236,781.
- (11) If there is any unallocated working capital balance, it will be held in short-term interest-bearing securities or in bank accounts at the discretion of management.

The Company has positive cash flow from operating activities and has historically incurred net losses. To the extent that the Company has negative operating cash flows in future periods, it may need to deploy a portion of its existing available cash to fund such negative cash flows. The expected use of funds represents the Company's current intentions based upon its present plans and business condition, which could change in the future as its plans and business conditions evolve. The amounts and timing of the actual use of the net proceeds depends on multiple factors and there may be circumstances where, for sound business reasons, a reallocation of funds may be necessary in order for the Company to achieve its stated business objectives. The Company may also require additional funds in order to fulfil its expenditure requirements to meet existing and any new business objectives, and the Company expects to issue additional securities or incur debt to do so. As a result, management

retains broad discretion in the application of the available funds, and shareholders will be relying on the management's judgment regarding such application. There is no assurance that additional capital or other types of financing will be available if needed or that these financings will be on terms at least as favourable to the Company as those previously obtained.

See "Quarterly Results of Operations" section for a discussion of transaction costs, marketing expenditure and general and administrative expenses.

Intellectual Property

Trademarks

The Company has filed applications for the registration of the Psyence™ trademark in several jurisdictions including Canada, USA, UK, South Africa and Jamaica. Confirmation of registration of the Psyence™ trademark has been received in respect of Jamaica and the UK.

Licensed Intellectual Property

As stated above, the Company has assigned its rights and obligations under the R&D IP Agreement to PBM as part of the Business Combination and terminated the Commercial Term Sheet with Filament. Please refer to the section titled *Relationships with Third Parties* for more information.

Regulatory Framework and Licensing Regime

A summary of the applicable regulatory framework for the Company's various business segments and interests and proposed business activity is set out in the table below.

Business Interests	Current / Proposed Jurisdiction of Operation	Summary of Applicable Regulatory Frameworks	Third-party CROs, Suppliers, and/or Manufacturers	Related Agreements/ Contracts⁵
Psyence Therapeutics – Research and Development ⁷ and Clinical Trials ⁸	UK, Canada, USA and Australia ⁶	UK: • 1971 UN Convention on Psychotropic Substances • Misuse of Drugs Act 1971 and Regulations 2001 • Psychoactive Substances Act 2016 • Human Medicines Regulations 2012¹ Canada: • Controlled Drugs and Substances Act • Food and Drugs Act, R.S.C. 1985, c. F-27, and the Food and Drug Regulations thereunder, C.R.C., c. 870² USA: • Federal Food Drug and Cosmetic Act (FDCA)⁷ Australia: • The Therapeutic Goods Act 1989 • Therapeutic Goods (Poisons Standard—July 2023) Instrument 2023 • Customs (Prohibited Imports) Regulations 1956³	• PsyLabs	• Sales and Distribution Agreement
Psyence Sales and Distribution	South Africa, UK, Canada, USA and Australia ⁵	South Africa, UK, USA Canada, and Australia: Please refer to the domestic and international narcotics laws listed above.	• PsyLabs	• Sales and Distribution Agreement

Notes:

- (1) For more information on the regulatory regime in the UK, please refer to "United Kingdom" below.
- (2) For more information on the regulatory regime in Canada, please refer to "Canada" below.
- (3) For more information on the regulatory regime in Australia, please refer to "Australia" below.

- (4) For more information regarding contracts related to the operations of the Company, please refer to "Material Contracts" below.
- (5) Now owned and operated by PsyLabs.
- (6) Now owned and operated by PBM.
- (7) For more information on the regulatory regime in the USA, please refer to "USA" below.
- (8) Now owned and operated by PBM.

Canada

The *Canadian Controlled Drugs and Substances Act* ("**CDSA**") generally prohibits all uses of controlled substances and makes it an offence to possess, produce, sell, traffic, import or export a substance including psilocin or psilocybin. However, these prohibitions are subject to exceptions, in particular an exemption for a medical or scientific purpose, such as research or clinical trials, pursuant to subsection 56(1) of the CDSA. An application must be submitted to Health Canada in order to receive such an exemption. Other than the joint venture formed with Pure Extracts Technologies Corp called "Pure Psyence" (now wound-up), the Company has not commenced psilocybin related commercial business activities in Canada. The Company will pursue sponsored research and collaboration agreements with a duly licensed academic institution to conduct research projects. At all times, the Company will enter into partnerships with organisations which have obtained the necessary dealer's licence and/or section 56 exemption required to handle psilocybin in Canada as it currently does not possess any such licences.

In addition to the CDSA, the import and export of psilocin or psilocybin are regulated under the Food and Drugs Act and the Food and Drug Regulations. A dealer's licence for psilocin or psilocybin may be obtained under Part J of the Food and Drug Regulations. These laws are described in more detail below:

CDSA

The CDSA is the critical piece of legislation applicable to psilocin, psilocybin, and other psychoactive substances in Canada. The criminal law power is the basis for this federal legislation regarding controlled drugs and substances. Both Psilocin (3-[2-(dimethylamino)ethyl]-4-hydroxyindole) and any salt thereof as well as psilocybin are (3-[2-(dimethylamino)ethyl]-4-phosphoryloxyindole) and any salt thereof are substances included in Schedule III of the CDSA.

Food and Drugs

In addition to the CDSA, the federal Food and Drugs Act, R.S.C. 1985, c. F-27, and the Food and Drug Regulations thereunder, C.R.C., c. 870, regulate food and drugs in Canada. Both psilocin (3-[2-(dimethylamino)ethyl]-4-hydroxyindole) and any salt thereof as well as psilocybin (3-[2-(dimethylamino)ethyl]-4-phosphoryloxyindole) and any salt thereof are restricted drugs included in the Schedule to which Part J of the Food and Drug Regulations is applicable.

Research

If the research to be conducted involves a drug for human use that is to be tested in a clinical trial involving human subjects, then Division V of the Food and Drug Regulations would be the applicable federal law. In addition, if the research is to be conducted in British Columbia or another province in Canada, then the provincial laws of that province should also be consulted, such as those laws regarding the protection of personal health information.

Exemptions & Licences – CDSA and Food and Drug Regulations

As stated above, the CDSA generally prohibits all uses of controlled substances and makes it an offence to possess, produce, sell, traffic, import or export a substance included in Schedule III, including psilocin or psilocybin. However, these prohibitions are subject to exceptions, in particular an exemption for a medical or scientific purpose, such as research or clinical trials, pursuant to subsection 56(1) of the CDSA, as follows: in terms of section 56(1) the Minister may, on any terms and conditions that the Minister considers necessary, exempt from the application of all or any of the provisions of this Act or

the regulations any person or class of persons or any controlled substance or precursor or any class of either of them if, in the opinion of the Minister, the exemption is necessary for a medical or scientific purpose or is otherwise in the public interest. An application must be submitted to Health Canada in order to receive such an exemption.

A dealer's licence for psilocin or psilocybin may be obtained under Part J of the Food and Drug Regulations. An individual who ordinarily resides in Canada or a corporation with a head office or branch office in Canada is eligible to apply for a dealer's licence for permission to produce, assemble, sell, provide, transport, send, deliver, import or export psilocin or psilocybin as a licensed dealer. An Application for a Controlled Drugs and Substances Dealer's Licence must be submitted to the Office of Controlled Substances at Health Canada. In order to qualify as a licensed dealer, a party must meet all of the requirements mandated by Part J of the Food and Drug Regulations, including having staff that meet the qualifications for a senior person in charge and a qualified person in charge. A dealer's licence must be obtained for each site at which activities are to be conducted. The activities that the licensee may engage in are limited to the strict confines to the licence.

In addition to the dealer's licence, an application must be submitted, and a permit must be obtained from Health Canada before each import or export of a restricted drug such as psilocin or psilocybin by a licensed dealer. This allows the government to track every gram in the country.

Australia

The Therapeutic Goods Administration in Australia ("**TGA**") is Australia's government authority responsible for evaluating, assessing and monitoring products that are defined as therapeutic goods, and the use of therapeutic goods supplied in clinical trials in Australia under the therapeutic goods legislation. Such legislation includes The Therapeutic Goods Act 1989 ("**TG Act**"), Regulations and Orders which set out the requirements for inclusion of therapeutic goods in the Australian Register of Therapeutic Goods (ARTG).

Registration of medicines

For a prescription medicine to be registered in the ARTG, a sponsor of the product (usually a pharmaceutical company such as Psyence) is required to submit a dossier of evidence on the clinical efficacy, safety and manufacturing quality for evaluation by the TGA. Clinical trials of medicines and biologicals regulated under the Clinical Trial Notification (CTN) or Clinical Trial Approval (CTA) schemes are subject to the TGA's Good Clinical Practice (GCP) Inspection Program. The TGA has issued a handbook which provides guidance on the legislative, regulatory and good clinical practice (GCP) requirements when conducting clinical trials in Australia using 'unapproved' therapeutic goods in order to assist trial sponsors, Human Research Ethics Committees (HRECs), investigators and approving authorities (institutions) in understanding their roles and responsibilities under the therapeutic goods legislation.

Scheduling of Psilocybin

Until recently, psilocybin was included in Schedule 9 (Prohibited Substances) of the Poisons Standard which, because of interaction with state and territory regulation, largely restricted the lawful supply of goods containing psilocybin to clinical trial settings only. However, effective 1 July 2023, the TGA made the decision to down schedule psilocybin to Schedule 8 in the Poisons Standard when used in respect of certain conditions, namely for the treatment of treatment-resistant depression.

Importation

To import products that contain a controlled substance (such as psilocybin), the importer requires both an exemption, approval or authority under the TG Act and a licence and/or permit to import from the Office of Drug Control under the Customs (Prohibited Imports) Regulations 1956. Licences and permits to import psilocybin are only granted by the Office of Drug Control where the use of the substance is permitted by the relevant state or territory under their respective medicines and poisons legislation and the use of the of psilocybin is to be prescribed by an Authorised Prescriber or for an authorised clinical trial.

Psyence will monitor the evolution of Australia's regulations as they pertain to psilocybin and the conduct of clinical trials in Australia.

USA

In connection with the development and future commercialization (if applicable) of the psilocybin-based prospective products, each contemplated product candidate is subject to the Federal Food Drug and Cosmetic Act (FDCA). The FDCA is intended to assure the consumer, in part, that drugs and devices are safe and effective for their intended uses and that all labeling and packaging is truthful, informative, and not deceptive. The FDCA and FDA regulations define the term "drug," in part, by reference to its intended use, as "articles intended for use in the diagnosis, cure, mitigation, treatment, or prevention of disease" and "articles (other than food) intended to affect the structure or any function of the body of man or other animals." Therefore, almost any ingested or topical or injectable product that, through its label or labeling (including internet websites, promotional pamphlets, and other marketing material), that is claimed to be beneficial for such uses will be regulated by FDA as a drug. The definition also includes components of drugs, such as active pharmaceutical ingredients. Drugs must generally either receive premarket approval by FDA through the NDA process or conform to a "monograph" for a particular drug category, as established by FDA's Over-the-Counter (OTC) Drug Review. If the FDA does not award premarket approval for our product candidates through the NDA process, this could have a material adverse effect on our business, financial condition and results of operations.

The FDA will accept data from studies performed in other countries, as long as the study complies with GCP and ICH guidelines.

Corporate Governance and Compliance Program

Corporate governance refers to the policies and structure of the board of directors of a company, whose members are elected by and are accountable to the shareholders of the company. Corporate governance encourages the adoption of policies to ensure the board of directors recognizes the principles of good management. The Board is committed to sound corporate governance practices; as such practices are both in the interests of shareholders and contribute to effective and efficient decision-making. The Company has adopted corporate governance policies and guidelines (the "**Guidelines**") governing key matters and has accordingly enacted: (a) internal guidelines to control transactions involving its securities by all Company directors, officers and insiders (among others) to ensure that such parties are aware of and comply with their legal obligations with respect to "insider trading" and "tipping"; and (b) timely disclosure and confidentiality guidelines to ensure the timely and accurate disclosure of material information relating to the Company and/or its material subsidiaries in accordance with applicable securities laws and stock exchange rules, to prevent the improper use or disclosure of material information or confidential information about the Company and to promote an understanding of and compliance with legal requirements and stock exchange rules.

The Board shall: (a) review the Guidelines on an annual basis; and, (b) at a more appropriate time in the future, (i) implement additional corporate governance policies and guidelines; (ii) implement measures and processes to review critically each director's continuation on the Board every year considering, among other things, a director's service on other boards and the time involved in such other service; and (iii) establish a process for the evaluation of the performance of the Board and each of its committees.

The Company engages professional advisors (legal, financial, and technical) with the relevant expertise to provide assistance in navigating and managing the political, legal and cultural realities of the jurisdictions in which it operates and the impact it may have on the Company's business or operations on an as-needed basis. Additionally, the Company's management team has a long and successful history of doing business in Canada, United Kingdom and Southern Africa. With respect to Southern Africa specifically, the Company's management team has experience engaging with local communities and tribal chiefs as well as a working knowledge of the region's local legal, regulatory and political landscape. The management team's technical division is well acquainted with the region's natural terrain as well as its climactic and infrastructure related challenges.

The Company managers and monitors compliance with applicable laws in each jurisdiction in which it operates through its general legal counsel and Chief Financial Officer, who engage, as needed, local counsel in every jurisdiction, who provide legal opinions or advice in each of these jurisdictions regarding: (a) compliance with applicable laws and regulatory frameworks, (b) applications,

maintenance and renewals of licences and permits, and (c) changes in the legal landscape affecting the Company operations.

The Company engages local legal counsel in each jurisdiction in which it conducts business or seeks to conduct business to ensure compliance with material legal, regulatory and governmental developments as they pertain to and affect the Company's operations. The Company's operations are conducted in compliance with local laws where such activities are permissible and either (a) do not require any specific legal or regulatory approvals, or (b) the Company has obtained all necessary legal and/or regulatory approvals.

The Company works with third party facilities, research institutions, and contract manufacturers who require regulatory licensing to handle scheduled drugs. Before commencing any commercial or other ventures with such third parties, the Company conducts a high-level legal, regulatory and quality control due diligence to verify claims made by such third parties. The Company ensures that contracted third parties provide the necessary warranties and undertakings required to ensure compliance with applicable laws in contracts concluded with such parties. Failure of third parties to comply with applicable laws constitutes a material breach of contract, giving rise to a contractual right on the part of the Company to terminate any contract with such offending third party.

The Company held its annual and special general meeting of shareholders on June 7, 2024.

Overall Performance

Financial Information

The Company's most recent financial year end was March 31, 2025. This MD&A presents information relating to the year ended March 31, 2025 with comparative information being shown for the year ended March 31, 2024 ("**comparative period**").

Results and Overview of operations for the year ended March 31, 2025

Revenue and results

The Company did not report revenue from operations for the year ended March 31, 2025 (comparative period: \$0). The total comprehensive income for the year ended March 31, 2025, was \$582,908 (comparative period: loss of \$69,252,807).

The total comprehensive loss relates to the strategic sale of business units of the Company.

Sales and marketing costs

For the year ended March 31, 2025, the Company's sales and marketing costs of \$676,310 were incurred for fundraising activities, conferences, content, promotional materials and website design costs (comparative period: \$152,162).

Research and development

For the year ended March 31, 2025, the Company incurred research and development costs of \$475,755 (comparative period: \$1,579,253) driven by clinical trial activity in Australia.

General and administration costs

For the year ended March 31, 2025, the Company incurred general and administrative costs of \$1,741,923 which consisted of bank fees, filing fees, general office expenditure, facility maintenance, salaries and wages and operational costs (comparative period, \$1,132,680).

General and administrative costs increased in comparison to the comparative year as a result of increased activities by the subsidiaries of the Company.

Professional and consulting fees

For the year ended March 31, 2025, professional and consulting fees totalling \$2,613,286 were incurred (comparative period: \$2,297,951). This consisted of \$1,491,131 (comparative period: \$1,714,601) paid to consultants for product development, financial, business strategies and administrative services, legal fees of \$695,463 (comparative period: \$402,613) paid to legal practitioners for various corporate matters, whilst \$62,886 (comparative period: \$16,306) was paid for accounting services and \$363,806 (comparative period: \$164,431) for audit fees.

The professional and consulting fees for the period increased from the comparative year due to an increase in legal fees relating to transaction advisory.

Other costs

The depreciation and amortization charge for the year was \$8,460 in total (comparative period: \$97,929). Of this amount, \$0 was charged for right-of-use assets (comparative period: \$2,482) and \$5,939 (comparative period: \$92,926) was depreciation on computer equipment, buildings, production equipment, furniture and leasehold improvements. The amortization of intangible assets was \$2,521 for the period (comparative period: \$2,520). The decrease in depreciation is due to the assets assigned to PsyLabs.

Total assets at year end March 31, 2025

Total assets for the period were \$10,604,851 and comprised predominantly of: cash and cash equivalents of \$8,940,272, other receivables of \$200,733, investment in Psyence Labs Ltd. of \$1,071,012, prepaids of \$361,982 and property, plant and equipment ("PPE") and intangible assets of \$30,852.

The Company has bank accounts denominated in Canadian dollars, US dollars and Australian dollars. At quarter end the Company had the following currency exposures on these accounts:

- Canadian bank accounts: \$59,690 (denominated in CAD)
\$8,774,540 (US\$8,886,909 – denominated in US dollars)
- Australian accounts: \$36,412 (AUD\$40,572 – denominated in Australian dollars)
\$69,630 (US\$48,435 – denominated in US dollars)

Operations

Quarterly Results of Operations

	Quarter end March 31, 2025 \$	Quarter end December 31, 2024 \$	Quarter end September 30, 2024 \$	Quarter end June 30, 2024 \$	Quarter end March 31, 2024 \$
Total Revenue	-	-	-	-	-
Total Comprehensive Gain/(Loss)	2,577,798	(2,957,184)	2,408,088	(1,445,794)	(66,696,715)
Gain/(Loss) per-share – Basic and diluted	(0.28)	(0.31)	0.26	(0.15)	(7.50)
Weighted Average Number of Shares	9,337,033	9,335,415	9,335,415	9,314,407	9,186,986

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	Quarter end December 31, 2023 \$	Quarter end September 30, 2023 \$	Quarter end June 30, 2023 \$	Quarter end March 31, 2023 \$	Quarter end December 31, 2022 \$
Total Revenue	-	-	-	-	-
Total Comprehensive Gain/(Loss)	269,611	(544,053)	(2,281,650)	3,150,102	743,364
Loss per-share – Basic and diluted	0.03	0.06	(0.27)	(0.48)	(0.13)
Weighted Average Number of Shares	9,072,321	8,827,161	8,468,693	6,525,096	5,816,628

	Quarter end September 30, 2022 \$	Quarter end June 30, 2022 \$	Quarter end March 31, 2022 \$	Quarter end December 31, 2021 \$	Quarter end September 30, 2021 \$
Total Revenue	-	-	-	-	-
Total Comprehensive Loss	1,051,925	1,231,837	1,019,149	1,255,854	1,136,453
Loss per-share – Basic and diluted	(0.18)	(0.21)	(0.18)	(0.22)	(0.20)
Weighted Average Number of Shares	5,701,923	5,701,923	5,701,923	5,701,923	5,701,923

	Quarter end June 30, 2021 \$	Quarter end March 31, 2021 \$	Quarter end December 31, 2020 \$	Quarter end September 30, 2020 \$	Period May 21, 2020 – June 30, 2020 \$
Total Revenue	-	-	-	-	-
Total Comprehensive Loss	1,173,300	9,535,567	1,348,358	333,368	55,717
Loss per-share – Basic and diluted	(0.20)	(1.77)	(0.42)	(0.14)	(0.05)
Weighted Average Number of Shares	5,701,823	5,385,775	3,212,791	2,460,985	1,004,040

The consolidated financial statements have been prepared in accordance with IFRS as issued by the International Accounting Standards Board (IASB), and the interpretations of the IFRS Interpretations Committee (IFRIC), effective for the Company's reporting for the year ended March 31, 2025.

Liquidity and Capital Resources

	Year ended March 31,	
CAD \$	2025	2024
Cash used in operating activities	(5,549,197)	(4,916,481)
Cash used in investing activities	(15,321)	(990,072)
Cash raised from financing activities	13,394,336	4,581,953
Total Cash Movement	7,829,818	(1,324,600)

	12 months ended March 31, 2025
Net cash used in operating activities	This primarily relates to cash used for operating expenses including research and development expenses, salaries, professional fees, and other general and administration expenses. Cash flows from operating activities exclude expenses not affecting cash, such as share based compensation expenses, depreciation, unrealized foreign exchange gains or losses, and net changes in non-cash balances relating to operations. For the year ended March 31, 2025, cash used in operating activities was \$5,549,197 driven by a net loss of \$30,249 and non-cash unrealized foreign exchange gain of \$24,241 partially offset by the following non-cash items: share-based compensation of \$94,681, loss on disposal of subsidiaries of \$540,970, loss on settlement of debt of 6,000, share issuance to third party advisors in PBM of \$349,881 and depreciation and amortization of \$8,460.
Net cash used in investing activities	For the year ended March 31, 2025, investing cash flows of \$15,321 were driven by: • Additions to property and equipment \$13,742 and Investment in GIC of \$1,579.
Net cash from financing activities	For the year ended March 31, 2025, financing cash flows of \$13,394,336 was mainly driven by: • Proceeds raised from share issuance of \$9,215,584, proceeds from convertible note liability of \$1,437,600, proceeds from PBM's PIPE financing of \$2,504,371 and sale of PBM shares of 236,781.

Liquidity

Since incorporation, the operations have been solely financed from the issuance of equity. The Company's main use for liquidity is to fund scientific research, clinical studies, product development and manufacturing, salaries and professional and consulting fees. The ability to fund operations and to make planned cash flows are subject to prevailing economic conditions, regulatory and financial, business, and other factors, some of which are beyond the Company's control.

As at March 31, 2025 the Company had cash balances of \$8,888,570 and positive working capital of \$8,439,254. Working capital represents the excess of current assets over current liabilities. Accounts payable and accrued liabilities have contractual maturity dates within one year, lease liabilities which have contractual maturity dates spanning 7 years and amounts due to related parties have a contractual maturity date within one year. All significant contractual obligations and commitments are disclosed under *Discussion of operations* above and there are no other significant obligations maturing in the short term. The Company believes that it will be able to fund operations and significant projects within the next 12 months from the available cash and cash equivalents without raising additional financing.

The Company's current expenditure obligations are primarily for working capital purposes. The Company expects to continue funding projects with available cash and cash equivalents, and therefore, is subject to risks including, but not limited to, an inability to raise additional funds through the issuance of equity, debt instruments or similar means of financing to support the Company's continued development, including capital expenditure requirements, operating requirements and to meet its liabilities and commitments at they become due.

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Management's Discussion and Analysis

The Company has experienced operating losses and cash outflows from operations since incorporation and by nature of its business, will require ongoing financing for working capital purposes. The Company's ability to access both public and private capital is dependant upon, among other things, general and sectoral market conditions and the capital markets generally, market perceptions about the Company and its business operations, and the trading prices of the Company's securities from time to time.

The Company's primary capital needs are funds for working capital purposes. These activities include staffing, pre-clinical studies, clinical trials and administrative costs.

Off Balance Sheet Arrangements

The Company has not had any off-balance sheet arrangements from the date of its incorporation to the date of this MD&A.

Transactions between Related Parties

Compensation to key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel, as defined by International Accounting Standards 24 *Related Party Disclosures*, include the Company's executive officers and Board of Directors. For the reporting period, they are as follows: Jody Aufrechtig, Warwick Corden-Lloyd, Alan Friedman, Bayline Capital Partners Inc., and Adri Botha.

Short term benefits consist of consulting fees, payroll and other benefits paid to key management personnel.

Key Management Personnel	March 31, 2025	March 31, 2024
Short term benefits	573,071	574,831
Share-based compensation	68,311	387,687
Total	641,382	962,518

Balances

As at March 31, 2025, the Company held amounts totalling \$68,311 (March 31, 2024 - \$28,111) in accounts payable and accrued liabilities. These are amounts owing to key management personnel.

Subsequent Highlights

On April 1, 2025 the Company granted 602,299 restricted stock units ("**RSU's**") to officers and consultants of the Company. This was granted according to the equity incentive scheme of the Company.

On April 23, 2025 the Company consolidated its common shares at a ratio of 15:1.

In May 2025, the Company sold all its entire shareholding in PBM for the net proceeds of \$302,300 to third party investors. As a result, the Company lost control over PBM.

In July 2025, the Company issued 6,000,000 common shares through a private placement at a price of \$0.10 per share for total gross proceeds of \$600,000.

Financial Instruments and Other Instruments

The Company's financial instruments consist of cash, other receivables, prepaids, accounts payable and accrued liabilities and amounts due to related parties. These financial instruments arise in the normal course of business and are classified and measured at amortized cost.

Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments. The Company does not partake in hedging activities.

The fair values of these financial instruments approximate their carrying values. As required by IFRS 9 *Financial Instruments*, the Company applies a forward-looking expected credit loss (ECL) model, at each balance sheet date, to financial assets measured at amortized cost to determine whether the asset is impaired.

In the normal course of business, the Company is exposed to a variety of financial risks: credit risk, liquidity risk, foreign exchange risk and interest rate risk. These financial risks are subject to normal credit standards, financial controls, risk management as well as monitoring. The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

Credit risk

Credit risk arises from cash and cash equivalents, restricted cash, other receivables and loan to joint venture. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses on financial assets. The Company minimizes the credit risk of cash by depositing with only reputable financial institutions. The Company also assesses the credit quality of counterparties, taking into account their financial position, past experience and other factors.

Cash consists of bank balances and an amount held in trust by a brokerage firm as security for foreign currency exchanges. Other receivables mainly consist of federal sales tax credits.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

As at March 31, 2025, the Company's financial liabilities consist of account payable, accrued liabilities, convertible note liability and a promissory note.

The Company manages liquidity risk through an ongoing review of future commitments and cash balances available. Historically, the Company's main source of funding has been the issuance of shares for cash, primarily through private placements. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity or debt funding.

The following table illustrates the contractual maturities of financial liabilities as at March 31, 2025:

Financial Instrument Maturity (\$)	Carrying amount	Contractual cash flows	Less than 1 year	Between 1 and 3 years
Accounts payable and accrued liabilities	776,075	776,075	776,075	-
Total	776,075	776,075	776,075	-

Foreign exchange risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency.

The Company operates internationally and is exposed to foreign exchange risk from the GBP, AUD and USD. Foreign exchange risk arises from transactions as well as recognized financial assets and liabilities denominated in foreign currencies.

A 10% adverse change in exchange rate would have resulted in a loss of \$881,291 as at March 31, 2025.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has no significant interest-bearing assets or liabilities and therefore its income and operating cash flows are substantially independent of changes in market interest rates. Management therefore regards liquidity risk to be low.

Capital management

The Company's objectives when managing its capital are to safeguard its ability to continue as a going concern, to meet its capital expenditures for its continued operations, and to maintain a flexible capital structure which optimizes the cost of capital within a framework of acceptable risk. The Company manages its capital structure and adjusts it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust its capital structure, the Company may issue new common shares, issue debt, or acquire or dispose of assets. The Company is not subject to externally imposed capital requirements.

Management reviews its capital management approach on an ongoing basis. The Company considers its shareholders' equity balance as capital.

Risk Factors

An investment in the Company is subject to various risks and should be considered highly speculative.

Prior to making an investment decision, investors should consider the investment risks set forth below which are in addition to the usual risks associated with an investment in a business at an early stage of development. The directors of the Company consider the risks set forth below to be the most significant, but do not consider them to be all of the risks associated with an investment in securities of the Company. If any of these risks materialize into actual events or circumstances or other possible additional risks and uncertainties of which the directors are currently unaware or which they consider not to be material in connection with the Company's business, actually occur, the Company's assets, liabilities, financial condition, results of operations (including future results of operations), business and business prospects, are likely to be materially and adversely affected. In such circumstances, the price of the Company's securities could decline, and investors may lose all or part of their investment.

Initial lack of business diversification

Because the Company will be initially focused on investment in businesses focused research and development, cultivation and production of psilocybin mushrooms and functional over-the-counter mushroom products, the prospects for the Company's success will be dependent upon the future performance and market acceptance of the facilities, products, processes and services in which the Company takes an interest. Unlike certain entities that have the resources to develop and explore numerous product lines or operate in multiple industries, the Company does not anticipate having the ability to immediately diversify or benefit from the possible spreading of risks or offsetting of losses. The Company holds interests in both the psychedelic and non-psychedelic areas of the mushroom industry. Again, the prospects for the Company's success may become dependent upon the development or market acceptance of a very limited number of facilities, products, processes or services.

There is no assurance that the Company will become profitable or pay dividends

There is no assurance as to whether the Company will become profitable or pay dividends. The Company has incurred and anticipates that it will continue to incur substantial expenses relating to the development and initial operations of its business. The payment and amount of any future dividends will depend upon, among other things, the Company's results of operations, cash flow, financial condition and operating and capital requirements. There is no assurance that future dividends will be paid, and, if dividends are paid, there is no assurance with respect to the amount of any such dividends.

Material uncertainty about the Company's ability to continue as a going concern

The Company's ability to continue as a going concern is dependent upon its ability to raise funding, generate revenue and achieve profitable operations and, in the meantime, to obtain the necessary financing to meet its obligations and repay its liabilities when they become due. External financing, predominantly by the issuance of equity and debt, will be sought to finance the operations of the Company; however, there can be no certainty that such funds will be available at terms acceptable to the Company, or at all.

Additional unforeseen costs due to health and medical regulators

Due to the numerous risks and uncertainties associated with the development of drug candidates, Psyence is unable to predict the timing of the generation of any meaningful revenue by PsyLabs or whether any of its products under development will be able to achieve or maintain profitability, if ever. The TGA, FDA, the EMA, MHRA, or other comparable foreign regulatory authorities could require the performance of preclinical studies or clinical trials in addition to those that PsyLabs currently anticipates, which could lead to delays in drug development programmes and timelines. There may also be delays in any of their respective future collaborators' clinical trials or the development of the existing drug candidates and any other drug candidates that Psyence may itself identify. Even if existing drug candidates or any future drug candidates that Psyence may identify are approved for commercial sale, Psyence anticipates incurring significant costs associated with commercializing and distributing any approved product and ongoing compliance efforts.

Commercialization and Marketing of Products

The Company is reliant on employees and third-party consultants and service providers to assist in investigating the process of developing, commercializing and distributing psilocybin mushroom products. No assurance can be given that the results of these investigations will determine that manufacturing and distribution of these products will be feasible or commercially viable. A failure to obtain satisfactory results on these investigations could have a material adverse effect on the Company's business and may adversely affect the Company's ability to begin earning revenue.

Reliance on Third Party IP

We do not currently own any granted patents, so any product development endeavours will require heavy reliance on license agreements with third parties under which we are granted rights to intellectual property that are important to our business. If disputes over intellectual property that we have licensed prevent or impair our ability to maintain our current licensing arrangements on acceptable terms, we may be unable to successfully develop and commercialize the affected drug candidates or other psilocybin-based products.

Additional Risks related to doing Business Internationally

International markets will be a focus for expansion and revenue growth for the Company. Several factors, including legal and regulatory compliance and weakened economic conditions in any of the international jurisdictions in which the Company expects to do business or have projects, could

adversely affect such expansion and growth. Additionally, the Company's entry into new international jurisdictions requires management attention and financial resources that would otherwise be spent on other parts of the business. Some of the countries in which the Company expects to sell products are to some degree subject to political, economic, and/or social instability. International business operations expose the Company to risks and expenses inherent in operating or selling products in foreign jurisdictions, and developing and emerging markets in particular, where these risks may be heightened. In addition to the risks mentioned elsewhere, these risks and expenses could have a material adverse effect on the Company's business, results of operations or financial condition and include without limitation:

- adverse currency rate fluctuations;
- risks associated with complying with laws and regulations in the countries in which the Company expects to sell products, and requirements to apply for and obtain licenses, permits or other approvals and the delays associated with obtaining such licenses, permits or other approvals;
- multiple, changing and often inconsistent enforcement of laws, rules and regulations;
- risks associated with reliance on international agents and representatives, including the possible failure of such agents and representatives to appropriately understand, represent and effectively market the Company's products;
- the imposition of additional foreign governmental controls or regulations, new or enhanced trade restrictions or non-tariff barriers to trade, or restrictions on the activities of foreign agents, representatives and distributors;
- increases in taxes, tariffs, customs and duties, or costs associated with compliance with import and export licensing and other compliance requirements;
- the imposition of restrictions on trade, currency conversion or the transfer of funds or limitations;
- the imposition of Canadian and/or other international sanctions against a country, company, person or entity with whom the Company does business that would restrict or prohibit the Company's ability to hold partnerships with or indirect interests in operations in Lesotho;
- downward pricing pressure on the Company's products in the international markets, due to competitive factors or otherwise;
- laws and business practices favouring local companies;
- political, social or economic unrest or instability, including without limitation military conflicts and acts of terrorism, military repression, war or civil war, social and labour unrest, organized crime, hostage-taking and violent crime;
- expropriation and nationalization and/or renegotiation or nullification of necessary licenses, approvals, permits and contracts;
- greater risk on credit terms, longer payment cycles and difficulties in enforcing agreements and collecting receivables through certain foreign legal systems;
- difficulties in enforcing or defending intellectual property rights; and
- the effect of disruptions caused by severe weather, natural disasters, outbreak of disease or other events that make travel to a particular region less attractive or more difficult.

Governments in certain foreign jurisdictions intervene in their economies, sometimes frequently, and occasionally make significant changes in policies and regulations. Operations may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on doing business, price controls, export controls, currency remittance, importation of product and supplies, income and other taxes, royalties, the repatriation of profits, expropriation of property, foreign

investment, maintenance of concessions, licenses, approvals and permits, environmental matters, land use, land claims of local people, water use and workplace safety. Furthermore, some of the Company's operations are conducted in parts of the world that experience illegal sales practices or corruption or are operated under legal systems susceptible to undue influences to some degree. Although the Company has policies and procedures in place that are designed to promote legal and regulatory compliance, the employees, business partners and consultants of the Company could take actions that violate applicable anticorruption laws or regulations. Violations of these laws, or allegations of such violations, could result in loss, reduction or expropriation and/or have a material adverse effect on the Company's business, results of operations or financial condition. The Company's international efforts may not produce desired levels of sales. If and when the Company enters into new markets in the future, it may experience different competitive conditions and/or different customer requirements. As a result, the Company may be less successful than expected in expanding sales in its future targeted international markets. Sales into new international markets may take longer to ramp up and reach expected sales and profit levels, or may never do so, thereby affecting the Company's overall growth and profitability. To build brand awareness in these new markets, the Company may need to make greater investments in legal compliance, advertising and promotional activity than originally planned, which could negatively impact the expected profitability of sales in those markets. These or one or more of the other factors listed above may harm the Company's business, results of operations or financial condition.

The Company will continue to monitor developments and policies in the emerging markets in which it will operate and assess the impact thereof to its operations, however such developments cannot be accurately predicted and could have an adverse effect on the Company's operations or profitability.

Negative Results from Clinical Trials

From time to time, studies or clinical trials on medical-grade psilocybin mushroom products may be conducted by academics, research institutions or others, including government agencies. The publication of negative results of studies or clinical trials related to PsyLabs or the Company's proposed products or the therapeutic areas in which these proposed products will compete could have a material adverse effect on the Company's sales and distribution endeavours and the value of its sales and distribution rights and interests in PsyLabs.

Serious adverse events or other safety risks

If any of Psyence's future drug candidates, prior to or after any approval for commercial sale, cause serious or unexpected side effects, or are associated with other safety risks such as misuse, abuse or diversion, a number of potentially significant negative consequences could result, for example, regulatory authorities may interrupt, delay or halt clinical trials, regulatory authorities may deny regulatory approval of future drug candidates or Psyence could be sued and held liable for harm caused to patients. Any of these events could prevent us from achieving or maintaining market acceptance of our drug candidates, if approved, and could significantly harm our business, financial condition, results of operations and prospects.

Competition from Other Companies

An increase in the companies competing in this industry could limit the ability of the Company to expand its operations. Current and new competitors may have better capitalization, a longer operating history, more expertise and be able to develop higher quality equipment or products at the same or a lower cost. The Company cannot provide assurances that it will be able to compete successfully against current and future competitors. Competitive pressures faced by the Company could have a material adverse effect on its business, operating results and financial condition.

Unfavourable Publicity or Consumer Perception

The Company believes the naturally derived medicinal-grade psilocybin mushroom industry is highly dependent upon consumer perception regarding the safety, efficacy and quality of psilocybin mushrooms distributed to such consumers. Consumer perception of PsyLabs or the Company's products may be significantly influenced by scientific research or findings, regulatory investigations, litigation, media attention and other publicity regarding the consumption of naturally derived, medicinal-grade psilocybin mushroom products. There can be no assurance that future scientific research, findings, regulatory proceedings, litigation, media attention or other research findings or publicity will be favourable to the naturally derived medicinal-grade psilocybin mushroom market or any particular product, or consistent with earlier publicity. Future research reports, findings, regulatory proceedings, litigation, media attention or other publicity that are perceived as less favourable than, or that question, earlier research reports, findings or publicity could have a material adverse effect on the demand for the Company's products and the business, results of operations, financial condition and cash flows of the Company. The Company's dependence upon consumer perceptions means that adverse scientific research reports, findings, regulatory proceedings, litigation, media attention or other publicity, whether or not accurate or with merit, could have a material adverse effect on the Company, the demand for psychedelic-based products, and the Company's business, results of operations, financial condition and cash flows. Further, adverse publicity reports or other media attention regarding the safety, efficacy and quality of naturally derived medicinal-grade psilocybin mushroom in general, or associating the consumption of naturally derived medicinal-grade psilocybin mushroom's negative effects or events, could have such a material adverse effect. Such adverse publicity reports or other media attention could arise even if the adverse effects associated with such products resulted from consumers' failure to consume such products appropriately or as directed.

Development of the Business of the Company

The development of the business of the Company and its ability to execute on its expansion opportunities described herein will depend, in part, upon the amount of additional financing available. Failure to obtain sufficient financing may result in delaying, scaling back, eliminating or indefinitely postponing expansion opportunities and the business of the Company's current or future operations. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be acceptable to the Company. In addition, there can be no assurance that future financing can be obtained without substantial dilution to existing shareholders.

Inability to Innovate

In the area of innovation, the Company must be able to develop new products that appeal to customers. This depends, in part, on the technological and creative skills of its personnel and on its ability to register and protect its intellectual property rights.

Personnel

The Company has a small management team, and the loss of any key individual could affect the Company's business. Additionally, the Company will be required to secure additional personnel to facilitate its marketing and product development initiatives. Any inability to secure and/or retain appropriate personnel may have a materially adverse impact on the business and operations of the Company.

The Continued Development of the Company and its Business will require Additional Financing

The failure to raise additional capital could result in the delay or indefinite postponement of current business objectives or the Company going out of business. There can be no assurance that additional

capital or other types of financing will be available if needed or that, if available, the terms of such financing will be favourable to the Company.

If additional funds are raised through issuances of equity or convertible debt securities, existing shareholders could suffer significant dilution, and any new equity securities issued could have rights, preferences and privileges superior to those of holders of common shares

The Company's articles permit the issuance of an unlimited number of common shares, and shareholders will have no pre-emptive rights in connection with such further issuance. The directors of the Company have discretion to determine the price and the terms of issue of further issuances. Moreover, additional common shares will be issued by the Company on the exercise of options under the Company option plan and restricted share units under the Company restricted share unit plan, and upon the exercise of the Company's outstanding warrants. In addition, from time to time, the Company may enter into transactions to acquire assets or shares of other companies. These transactions may be financed wholly or partially with debt, which may temporarily increase the Company's debt levels above industry standards. Any debt financing secured in the future could involve restrictive covenants relating to capital raising activities and other financial and operational matters, which may make it more difficult for the Company to obtain additional capital and to pursue business opportunities, including potential acquisitions.

Developing laws and enactment of new regulations governing psilocybin-containing products

The success of any proposed drug candidates and future approved products, if any, is subject to a number of constantly evolving state and federal laws, regulations, and enforcement policies pertaining to psilocybin containing products. Local, state, federal, and international psilocybin laws and regulations remain highly restrictive and subject to evolving interpretations, which could require Psyence to incur substantial costs associated with compliance requirements. Psyence cannot predict the nature of any future laws, regulations, interpretations, or applications, nor can it determine what effect additional governmental regulations or administrative policies and procedures, when and if promulgated, could have on its activities in the psychedelics industry. There can be no assurance that drug candidates containing psilocybin (as the active pharmaceutical ingredient) will be approved for commercialization in Australia, the US or any other target jurisdiction at any time in the near or distant future. Any regulations the FDA issues relating to the sale, marketing, and/or other activities involving administration of psilocybin or psilocybin-assisted psychotherapy could have a material adverse effect on Psyence's business, financial condition and results of operations.

Change in Laws, Regulations and Guidelines

The cultivation, processing, manufacturing, packaging, labeling, advertising and distribution of the Company's planned products is subject to regulation by one or more governmental authorities, and various agencies of the federal, provincial, state and localities in which these products are sold. These government authorities may attempt to regulate any of its products that fall within their jurisdiction. Such governmental authorities may not accept the evidence of safety for any ingredients that the Company may want to market, may determine that a particular product or product ingredient presents an unacceptable health risk and may determine that a particular statement of nutritional support that the Company wants to use is an unacceptable claim. Such a determination would prevent the Company from marketing particular products or using certain statements of nutritional support on its products. The Company also may be unable to disseminate third-party literature that supports its products if the third-party literature fails to satisfy certain requirements. In addition, government authorities could require the Company to remove a particular product from the market. Any recall or removal would result in additional costs to the Company, including lost revenues from any products that it is required to remove from the market, any of which could be material. Any such product recalls or removals could lead to liability, substantial costs and reduced growth prospects, all of which could be material.

Limited Market for Securities

The common shares are listed on the CSE, however, there can be no assurance that a continued active and liquid market for the common shares will be maintained.

No Operating History

The Company is an early-stage enterprise and subject to many of the risks common to early-stage enterprises, including under-capitalization, cash shortages, limitations with respect to personnel, financial, and other resources and lack of revenues. The Company has no history in the psilocybin mushroom cultivation industry before May 2020 and no history of operations or earnings, save for the earnings derived from the sale of the GOODMIND™ products.

The Company is therefore subject to many of the risks common to entering a new area of investment, including under-capitalization, limitations with respect to personnel, financial, and other resources and lack of revenues. There is no assurance that the Company will be successful in achieving a return on its investment and the likelihood of success must be considered in light of the Company's lack of experience in this industry.

Because the Company has limited operating history in an emerging area of business, readers should consider and evaluate its operating prospects in light of the risks and uncertainties frequently encountered by early-stage companies in rapidly evolving markets.

These risks may include:

- risks that it may not have sufficient capital to achieve its growth strategy;
- risks that it may not develop its product and service offerings in a manner that enables it to be profitable and meet its customers' requirements;
- risks that its growth strategy may not be successful;
- risks that fluctuations in its operating results will be significant relative to its revenues; and
- risks relating to an evolving regulatory regime.

The Company's growth will depend substantially on its ability to address these, and the other risks described in this section. If it does not successfully address these risks, its business may be significantly harmed.

Consequences of Violations of Laws and Regulations

In Canada, certain active ingredients such as psilocybin are classified as controlled substances and are listed on Schedule III of the CDSA. As such, possession and use of these substances is prohibited unless approved. The governmental authorities in Canada may allow for exemptions to parties to allow possession of controlled substances for scientific purposes or on compassionate grounds in the case of end-of-life treatment. Further, a dealer's license can be obtained under the Food and Drugs Regulations allowing for the transport, manufacturing, processing and sale of products containing a controlled substance like psilocybin in certain circumstances. Programs relating to controlled substances are strict and penalties for contravention of these laws could result in significant fines, penalties, administrative sanctions, convictions or settlements arising from civil proceedings initiated by either government entities in the jurisdictions in which the Company may in the future operate, or private citizens or criminal charges. The Company's current plans with respect to psilocybin are limited to conducting scientific research and development, and sales and distribution of approved products in compliance with applicable laws in the jurisdictions in which the Company is conducting business. Currently, the Company has no plans to sell psilocybin mushroom products in Canada, however, it is exploring the potential to conduct research with respect to psilocybin in Canada with a duly licenced partner, subject to approvals by all applicable regulatory agencies. There is no guarantee that the Company would be able to obtain an exemption under the CDSA or a dealer's licence under the Food

and Drugs Regulation, which would prevent the Company from being able to handle or research those substances in Canada without collaborating with a licensed partner. The Company will apply for an exemption under the CDSA or a dealer's licence under the Food and Drugs Regulation if the Company decides to offer its psilocybin products or conduct research in Canada. The Company does not intend to apply for the aforementioned within the next 12 months. During this process, the Company will seek advice from experts in Canadian food and drugs regulation.

The Company's actual financial position and results of operations may differ materially from the expectations of the Company's management

The Company's actual financial position and results of operations may differ materially from management's expectations. As a result, the Company's revenue, net income and cash flow may differ materially from the Company's internally projected revenue, net income and cash flow. The process for estimating the Company's revenue, net income and cash flow requires the use of judgement in determining the appropriate assumptions and estimates. These estimates and assumptions may be revised as additional information becomes available and as additional analyses are performed. In addition, the assumptions used in planning may not prove to be accurate, and other factors may affect the Company's financial condition or results of operations.

The Company may become subject to litigation

The Company's participation in the medical-grade psilocybin mushroom industry and nutraceuticals market may lead to litigation, formal or informal complaints, enforcement actions and inquiries by third parties, other companies or various governmental authorities against the Company. Litigation, complaints and enforcement actions involving the Company could consume considerable amounts of financial and other corporate resources, which could have an adverse effect on the Company's future cash flows, earnings, results of operations and financial condition.

The Company may be forced to litigate to defend its intellectual property rights, or to defend against claims by third-parties against the Company relating to intellectual property rights

The Company may be forced to litigate to enforce or defend future intellectual property rights, to protect its trade secrets or to determine the validity and scope of other parties' proprietary rights. Any such litigation could be very costly and could distract its management from focusing on operating the Company's business. The existence or outcome of any such litigation could harm the Company's business. Further, because the content of much of the Company's intellectual property concerns medical-grade psilocybin mushroom and other activities that are not legal in some state jurisdictions or under federal law, the Company may face additional difficulties in defending its intellectual property rights.

Insurance Coverage

The Company's business is subject to a number of risks and hazards generally, including adverse environmental conditions, accidents, product liability and changes in the regulatory environment. Such occurrences could result in damage to assets, personal injury or death, environmental damage, delays in operations, monetary losses and possible legal liability. Although the Company maintains insurance to protect against certain risks in such amounts as it considers to be reasonable, its insurance does not cover all the potential risks associated with its operations. The Company may also be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. Moreover, insurance against risks such as environmental pollution or other hazards encountered in the operations of the Company is not generally available on acceptable terms. The Company might also become subject to liability for pollution or other hazards which may not be insured against or which the Company may elect not to insure against because of premium costs or other reasons. Losses from these events may cause the

Company to incur significant costs that could have a material adverse effect upon its financial performance and results of operations.

Ability to establish and maintain bank accounts

While the Company does not anticipate dealing with banking restrictions, there is a risk that banking institutions in countries where the Company operates will not accept payments related to the psilocybin mushroom industry. Such risks could increase costs for the Company. The Company's inability to manage such risks may adversely affect the Company's operations and financial performance.

If the Company is unable to attract and retain key personnel, it may not be able to compete effectively

The Company will depend upon its ability to attract and retain key management, including the Company's directors, officers and technical experts. The Company will attempt to enhance its management and technical expertise by continuing to recruit qualified individuals who possess desired skills and experience in certain targeted areas. The Company's inability to retain employees and attract and retain sufficient additional employees or engineering and technical support resources could have a material adverse effect on the Company's business, results of operations, sales, cash flow or financial condition. Shortages in qualified personnel or the loss of key personnel could adversely affect the financial condition of the Company or results of operations of the business and could limit the Company's ability to develop and market its medical-grade psilocybin mushroom products. The loss of any of the Company's senior management or key employees could materially adversely affect the Company's ability to execute the Company's business plan and strategy, and the Company may not be able to find adequate replacements on a timely basis, or at all. The Company does not maintain key person life insurance policies on any of the Company's employees.

The size of the Company's target market is difficult to quantify

As the psilocybin mushroom industry is in an early stage with uncertain boundaries, there is a lack of information about comparable companies available and, few, if any, established companies whose business model the Company can follow or upon whose success the Company can build. There can be no assurance that the market size is sufficiently large for its business to grow as projected, which may negatively impact its financial results. The Company regularly follows market research.

Reliance on Limited Jurisdictions

To date, the Company's active partnerships, investments and resources have been primarily focused in Southern Africa and the UK (for research and development) and Australia (for clinical trials). The Company expects to continue the focus on expansion opportunities into other jurisdictions including Canada, the USA and the rest of Europe. Adverse changes or developments within Southern Africa, the UK or Australia could have a material and adverse effect on the Company's ability to continue its business, business interests, financial condition and prospects. Additionally, any material or adverse change in jurisdictions in which the Company will do business may affect the Company's ability to continue sales and distribution efforts linked to medical-grade psilocybin mushroom products, its business, financial condition and prospects.

No guarantee on the use of available funds by the Company

The Company cannot specify with certainty the particular uses of its available funds. Management has broad discretion in the application of its available funds. Accordingly, shareholders will have to rely upon the judgment of management with respect to the use of available funds, with only limited information concerning management's specific intentions. The Company's management may spend a portion or all of the available funds in ways that the Company's shareholders might not desire, that might not yield a favourable return and that might not increase the value of a shareholder's investment. The failure by management to apply these funds effectively could harm the Company's business. Pending use of such

funds, the Company might invest available funds in a manner that does not produce income or that loses value.

Management of Growth

The Company may be subject to growth-related risks, including capacity constraints and pressure on its internal systems and controls. The ability of the Company to manage growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train and manage its employee base. The inability of the Company to deal with this growth may have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

Inability to protect Intellectual Property

The Company expects to rely upon intangible and intellectual property such as copyrights, trade secrets, unpatented proprietary know-how and continuing innovation to protect the development of its business. There can be no assurances that the steps taken by the Company to protect its intangible property and intellectual property will be adequate. To the extent that this property is infringed on, revenue could be negatively affected, and the Company may have to litigate to enforce its intangible property rights, which could result in substantial costs and divert management's attention and other resources.

Material Contracts

The following are the material contracts, other than contracts in the ordinary course of business, and material contracts in the ordinary course of business required to be listed, that were entered into by the Company in the current financial period or prior to this period and are still in effect as of the date of this MD&A:

- Company's new stock option plan, confirmed for adoption at the 2021 AGM;
- Amendments to the Company's existing restricted share unit plan approved at the 2021 AGM, as further amended by the Board on February 16, 2022;
- Lock-Up Agreement with PBM and certain of PBM's shareholders (now expired);
- R&D IP Agreement (now assigned to PBM);
- Commercial Term Sheet (now terminated);
- First Addendum to the R&D IP Agreement and Commercial Term Sheet
- Call Option Agreement concluded with PsyLabs;
- First Addendum to the Call Option Agreement concluded with PsyLabs;
- Promissory Note, dated January 25, 2024, with PBM;
- Debt-for-Equity Swap Agreements dated September 30, 2024 and October 25, 2024 respectively with PBM, as amended by way of a First Addendum dated November 26, 2024;
- PsyLabs Sale Agreement dated September 17, 2024 with PBM, as amended by way of a First and Second Addendum dated September 27, 2024 and November 26, 2024 respectively;

Copies of these material contracts are available under the Company's SEDAR profile at www.sedar.com

Additional Information

All additional information relating to the Company is available on SEDAR at www.sedar.com



Psyence Group Inc.

Management Discussion & Analysis (MD&A)
for the year ended
March 31, 2024

Date of the MD&A:
July 29, 2024

Registration number: 1074709

LEI: 549300RPEOIVSD0MJC07

www.psyence.com

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Psyence Group Inc.

Management Discussion & Analysis

Dated: July 29, 2024

The following information should be read in conjunction with the audited consolidated financial statements for the year ended March 31, 2024 of Psyence Group Inc. (the "**Company**" or "**Psyence**"), which are prepared in accordance with International Financial Reporting Standards ("**IFRS**"). All figures are expressed in Canadian dollars unless otherwise indicated.

Forward-Looking Information

This Management Discussion & Analysis ("**MD&A**") contains forward-looking statements and forward-looking information as such terms are defined under applicable Canadian securities laws. These forward-looking statements and forward-looking information include, but are not limited to, statements with respect to management's expectations regarding the future growth, results of operations, performance and business prospects of the Company, and relate to, without limitation:

- the Company's research and development plans, business model, strategic objectives and growth strategy;
- the Company's future growth plans;
- anticipated trends and challenges in the Company's business and the markets in which it operates;
- the future demand for psilocybin and psilocybin mushroom products from time to time produced, supplied, or distributed by the Company;
- the Company's expectations regarding regulatory requirements and developments in the jurisdictions in which it operates;
- the approval of regulatory bodies of psychedelic substances including psilocybin for the treatment of various health conditions;
- controlled substances laws;
- the Company's ability to obtain the issue and/or renewal of licenses and regulatory authorizations for its business operations;
- the Company's estimate of the size of the potential markets for its products;
- the Company may not develop its product and service offerings in a manner that enables it to be profitable and meet its customers' requirements;
- risks that its growth strategy may not be successful;
- risks that fluctuations in its operating results will be significant relative to its revenues;
- risks relating to an evolving regulatory regime related to psilocybin and psychedelic products;
- risks relating to operations based in its emerging markets;
- the continuation of the Company as a going concern;
- the Company's intellectual property;
- the growth of competition from other companies in the industry;
- the Company's actual financial position and results of operations may differ materially from the expectations of the Company's management;
- the Company's exposure to fluctuations in foreign currencies; and
- the Company's expectations regarding the sufficiency of its cash for funding non-development related expenditures and future cash balances.

These forward-looking statements and forward-looking information may also include other statements that are predictive in nature, or that depend upon or refer to future events or conditions. Without

limitation, the words "may", "will", "would", "should", "could", "expect", "plan", "intend", "trend", "indicate", "assume", "anticipate", "believe", "estimate", "predict", "likely" or "potential", or the negative or other variations of these words or other comparable words or phrases, are intended to identify forward-looking statements. In addition, any statements that refer to expectations, projections or other characterizations of future events or circumstances contain forward-looking information. Forward-looking statements and forward-looking information are not historical facts but instead represent management's expectations, estimates and projections regarding future events.

With respect to forward-looking statements and forward-looking information contained in this MD&A, assumptions have been made regarding, among other things: future research and development plans for the Company proceeding substantially as currently envisioned, future expenditures to be incurred by the Company, research and development and operating costs, additional sources of funding, the impact of competition on the Company and the Company being able to obtain financing on acceptable terms.

Although management believes the expectations reflected in such forward-looking statements and forward-looking information are reasonable, forward-looking statements and forward-looking information are based on the opinions, assumptions and estimates of management at the date the statements are made, and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements and forward-looking information.

These risks, uncertainties and factors include, but are not limited to: risks, uncertainties and the results of the development of the Company's future products, its ability to establish lawful distribution networks for such products, and the timing thereof; the Company may not have sufficient capital to achieve its growth strategy; risks that its growth strategy may not be successful; regulatory policies concerning psilocybin products; development of laws governing controlled substances; the ability to obtain the issuance of and/or renewal of and/or approvals for licences and authorizations; the Company's plan to conduct research for psilocybin products in Canada, Australia and the United Kingdom and obtaining the requisite regulatory approvals therefore; the Company's support of the expansion of a Lesotho-based production and processing facility in which it holds an interest; competition from other companies; clinical trial results; limitations on insurance coverage; the timing and amount of estimated capital expenditure in respect of the business of the Company; operating expenditures; success of marketing activities; estimated budgets; currency fluctuations; requirements for additional capital; the timing and possible outcome of litigation in future periods; goals; strategies; future growth; planned business activities and planned future acquisitions; the adequacy of financial resources; and other events or conditions that may occur in the future.

In addition, if any of the assumptions or estimates made by management prove to be incorrect, actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in, or incorporated by reference into, this MD&A. Accordingly, readers are cautioned not to place undue reliance on such statements.

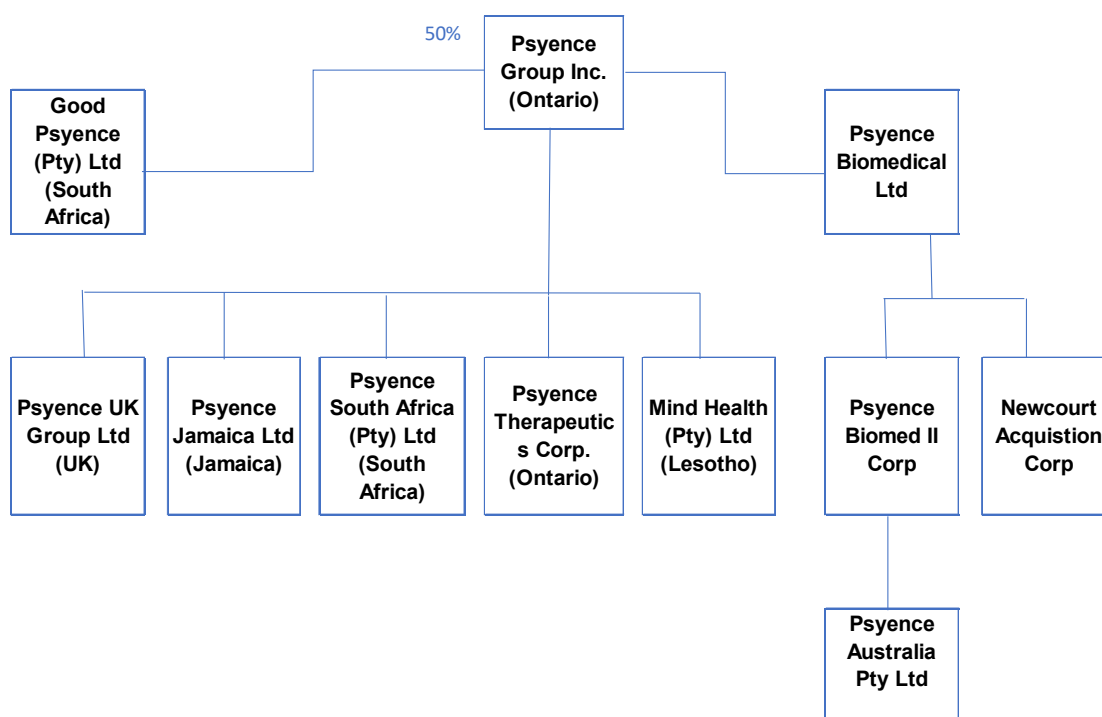
All of the forward-looking statements and forward-looking information in this MD&A are qualified by these cautionary statements. Statements containing forward-looking statements and/or forward-looking information contained herein are made only as of the date hereof. The Company expressly disclaims any obligation to update, revise or alter statements containing any forward-looking statements or forward-looking information, or the factors or assumptions underlying them, whether as a result of new information, future events or otherwise, except as required by law. New factors emerge from time to time, and it is not possible for the Company to predict which factors may arise. In addition, the Company cannot assess the impact of each factor on the Company's business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements or forward-looking information.

Overview

Corporate Structure

The Company is a life science biotechnology company listed on the Canadian Securities Exchange (CSE:PSYG), with a focus on natural psychedelics. We commenced the clinical trial process to evaluate the safety and efficacy of our erstwhile drug candidate, the development of which has been taken over by an subsidiary company, Psyence Biomedical Ltd ("**PBM**"), the world's first life science biotechnology company traded on the Nasdaq (NASDAQ: PBM) that is focused on the development of botanical (nature derived, or non-synthetic) psilocybin-based psychedelic medicines, and works with natural psilocybin products for the healing of psychological trauma and its mental health consequences in the context of palliative care.

The below diagram shows the corporate structure of Psyence Group Inc. as at March 31, 2024:



Notes:

1. The Company transferred its shareholding in Good Psyence, Psyence South Africa, Mind Health, and Psyence UK Group to PsyLabs (defined below), a third-party private company, as part of the strategic restructuring of its non-clinical business (described in more detail below in the section titled *Development of the business - Strategic Restructuring of Business Units*).
2. As at the date hereof, the Company holds 5,000,000 common shares in PBM.

Development of the business

Psyence Biomed Corp. ("**PBC**") was a private corporation incorporated under the laws of British Columbia. Effective July 21, 2023 PBC was continued under the laws of the Province of Ontario. It was a wholly owned subsidiary of the Company, and also referred to as the Psyence Therapeutics division.

The Psyence Group was created through a business combination of Psyence Biomed Corp. with Cardinal Capital Partners Inc., a public company, in January 2021, resulting in the Company's public listing in Canada.

The Company and PBC concluded their amalgamation on January 16, 2024, with the Company being the surviving entity (the "**Amalgamation**"). The Company therefore remains the holding company of the subsidiaries of the group.

Business Combination

On January 9, 2023 the Company announced that it had entered into a definitive business combination agreement (the "**Business Combination Agreement**") with Newcourt Acquisition Corp (NASDAQ: NCAC), a special purpose acquisition company ("**SPAC**") formed for the purpose of acquiring or merging with one or more businesses ("**Newcourt**"). Newcourt has entered into the Business Combination Agreement with PBC, in order to create a public company leveraging natural psilocybin in the treatment of palliative care ("**Business Combination**"). This Business Combination Agreement was amended and restated on July 31st, 2023. Further details of the Business Combination are set out in the section titled *Business Overview - Psyence Therapeutics*).

Canadian Restructuring to Facilitate the Business Combination (as described in more detail below in the section titled *Business Overview - Psyence Therapeutics*)

For purposes of facilitating the Business Combination, the Company incorporated PBM and Psyence Biomed II Corp (the "**Target**"), wholly-owned subsidiaries incorporation under the laws of the Province of Ontario, on June 29, 2023 as well as Psyence (Cayman) Merger Sub ("**Merger Sub**") an exempted company incorporated in the Cayman Islands on July 26, 2023. On January 22, 2024, the Company transferred 100% of its shareholding in Psyence Australia to the Target. On January 25, 2024, Merger Sub merged into Newcourt with Newcourt being the surviving entity under the laws of the Cayman Islands. Upon the close of the Business Combination effective January 25, 2024, the Company owned approximately 37% of the common shares in PBM. As at the date hereof, the Company holds 5,000,000 common shares in PBM.

Strategic Restructuring Of Business Units

The Company entered into a privatisation agreement with Psyence Labs Ltd ("**PsyLabs**") on April 1, 2024. PsyLabs is incorporated under the laws of the British Virgin Isles. The transaction involved the strategic restructuring of the Company's non-clinical business whereby the Company transferred its non-clinical subsidiaries Mind Health (Pty) Ltd (Lesotho) and Psyence South Africa (Pty) Ltd, the vehicles housing the psilocybin cultivation, extraction, and production operations in Southern Africa, and Psyence UK Group Ltd (UK), the entity engaged in Active Pharmaceutical Ingredient ("**API**") and IP development, and, Good Psyence (Pty) Ltd, the functional mushroom brand GOODMIND™ (together, the "**Non-Clinical Assets**") to PsyLabs which will be responsible for raising the private investment required and ongoing finance to continue the operations of the Non-Clinical Assets ("**Strategic Restructuring**"). The Company received an approximate share of 11% the PsyLabs group. The Company will retain sales and distribution rights for all products and services developed and offered by PsyLabs with the intention of creating a marketplace in the psychedelics industry.

Listing on CSE and board of directors

The Company listed on the Canadian Securities Exchange ("**CSE**") on January 27, 2021.

The board of directors and management of the Company are comprised of Jody Aufrichtig (Chairman), Alan Friedman (director), Warwick Corden-Lloyd (director), and Adri Botha (CFO). Effective March 31, 2024 Warwick Corden-Lloyd was appointed as director of the Company. Dr. Neil Maresky and Christopher Bull resigned as directors of the Company on March 11, 2024.

Psyence Group Inc and subsidiaries post CSE listing

Mind Health (Pty) Ltd ("**MindHealth Lesotho**") is a private entity incorporated under the laws of the Kingdom of Lesotho, which in May 2020, was granted permission by the Minister of Health (Lesotho) to import, cultivate, produce, manufacture and export psilocybin mushrooms. The governmentally licensed commercial psilocybin cultivation and production facilities operated by MindHealth Lesotho under the name "Psyence Production" are situated in the Kingdom of Lesotho. On May 22, 2020, MindHealth Lesotho became a subsidiary of PBC.

PSYENCE GROUP INC.
Management's Discussion and Analysis

Psyence South Africa (Pty) Ltd ("**PSA**") is a private corporation incorporated under the laws of South Africa on April 12, 2021. Prior to the Amalgamation and Strategic Restructuring, PSA was a wholly owned subsidiary of PBC. Post the Strategic Restructuring, it is now a wholly owned subsidiary of PsyLabs, and the Company retains an indirect interest therein.

Good Psyence (Pty) Ltd ("**Good Psyence**") is a private corporation incorporated under the laws of South Africa on May 5, 2021. Prior to the Amalgamation and Strategic Restructuring, PBC owned 50% of Good Psyence in a joint venture. The joint venture launched a functional mushroom brand, "GOODMIND", and is responsible for the production, commercialization and sale of the products. Post the Strategic Restructuring, it is now a wholly owned subsidiary of PsyLabs, and the Company retains an indirect interest therein.

Psyence Jamaica Ltd ("**Psyence Jamaica**") is a private corporation incorporated under the laws of Jamaica on May 11, 2021. Psyence Jamaica is a wholly owned subsidiary of PBC. Psyence Jamaica has not had any activity to date and no future operating activity is expected as the Company will conduct future product development in Australia, the UK and Canada in line with future clinical trials. The Company has filed a request for Psyence Jamaica to be removed from the list of registered companies appearing on the company register with the Companies Office of Jamaica.

Psyence UK Group Ltd. ("**Psyence UK**") is a private corporation incorporated under the laws of England and Wales on March 18, 2022. Prior to the Amalgamation and Strategic Restructuring, Psyence UK was a wholly owned subsidiary of PBC. Post the Strategic Restructuring, it is now a wholly owned subsidiary of PsyLabs, and the Company retains an indirect interest therein.

On February 15, 2023 the Company incorporated a wholly owned subsidiary called "Psyence Australia (Pty) Ltd." in Victoria, Australia ("**Psyence Australia**"). This subsidiary was incorporated to conduct the clinical trial in Australia (described below) and apply for the Australian Federal Government's Research & Development tax incentive program, which provides up to a 43.5% rebate on Psyence's research and development expenses in Australia as described below. Prior to the Amalgamation and Business Combination, Psyence Australia was a wholly owned subsidiary of PBC. Post the Business Combination, it is now a wholly owned subsidiary of PBM, and the Company retains an indirect interest therein.

Outstanding Share Data

Security	As of March 31, 2024	At date of this MD&A
Common Shares	139,106,226	140,031,222
Options	6,059,043	6,059,043
Warrants	6,010,073	6,010,073
Restricted Share Units (" RSUs ")	3,159,200	2,234,204
Common Shares on a fully diluted basis	154,334,542	154,334,542

Business Overview and Discussion of Operations

The Company is focussed on the sales and distribution of products and services for the psychedelic industry and is invested in two businesses, PBM and PsyLabs. The Company will retain sales and distribution rights for all products and services developed and offered by PsyLabs with the intention of creating a marketplace therefor in the psychedelics industry. The Company's management team intends to expand its asset-light business model in addition to the marketing and distribution of PysLabs' products and services, by minimizing asset maintenance costs through the Strategic Restructuring and identifying additional less capital-intensive opportunities in the psychedelics space.

Psyence Biomedical Ltd

PBM world's first life science biotechnology company traded on the Nasdaq ([NASDAQ:PBM](#)) focused on the development of botanical (nature derived, or non-synthetic) psilocybin-based psychedelic medicines. It uses an evidence-based approach to innovate as it works to develop safe and effective,

nature-derived psychedelic therapeutics to treat a broad range of mental health disorders. PBM is initially focused on mental health disorders in the context of Palliative Care.

PBM has contracted iNGENū Pty Ltd ("**iNGENū**"), a contract research organization ("**CRO**") in Australia that specializes in the study of psychedelics, to conduct a Phase IIb double-blind, randomized, low-dose controlled clinical trial ("**Palliative Care Clinical Trial**") to assess the efficacy and safety of PEX010, a 25mg in-licensed proprietary botanical drug candidate, which will be sourced from Filament Health Corp (a clinical-stage natural psychedelic drug development company) ("**Filament**"), in psilocybin-assisted psychotherapy for the treatment of AjD due to incurable cancer.

Palliative Care Clinical Trial

The randomized, double-blind, placebo-controlled Phase IIb study will evaluate two therapeutic doses of nature-derived psilocybin (10mg, 25mg) against an active low-dose comparator (1mg) in 84 patients in conjunction with psychotherapy.

According to PBM's most recent public disclosures, it has made substantial progress in preparing for its Phase IIb study and the company is preparing to initiate the study shortly following the successful export of PEX010 to Australia.

Psyence Labs Ltd

PsyLabs operates one of the first federally licensed commercial psilocybin cultivation and production facilities in the world, located in Lesotho, Southern Africa ("**PsyLabs Production Facility**"). Their expertise is in the production of certified, pharmaceutical-quality psilocybin - yielding mushrooms. The PsyLabs Production Facility has been designed and constructed to The British Standards Institute ("**BSI**") and Good Manufacturing Practice ("**GMP**") standards. The facility was International Organization for Standardization ("**ISO**") 22000:2018 certified by the BSI in February 2022. It is equipped with technology and specialized equipment to ensure optimum growing conditions and efficient harvesting and packaging.

PsyLabs has a focus on extraction, production and R&D with strategic partners. It is working towards providing standardized natural pharmaceutical grade psilocybin products to clinicians, research centres and universities undertaking research and clinical trials in the use of natural psilocybin for the treatment of a range of mental health disorders and other medical conditions. PsyLabs operates in partnership with Eden Labs LLC ("**Eden**"), a product development and extraction technology company that has developed certain extraction intellectual property and methodologies.

In addition hereto, PsyLabs owns, and will continue to develop, the Non-Clinical Assets acquired by it as part of the Strategic Restructuring, and will continue to operate the business housed in MindHealth Lesotho, PSA, Good Psyence and Psyence UK as described in the section above titled *Psyence Group Inc and subsidiaries post CSE listing*.

As stated above, the Company will retain sales and distribution rights for all products and services developed and offered by PsyLabs with the intention of creating a marketplace therefor in the psychedelics industry.

Relationships with Third Parties

The Company's former Australian-based research and development was to be conducted by its licensed partner, and its CRO partner, iNGENū, in Australia. As stated above, Filament's PEX010 will serve as the drug candidate under investigation during the Palliative Care Clinical Trial now being conducted in Australia by PBM following the implementation of the Business Combination.

The Company and Filament concluded an IP licensing agreement ("**R&D Licensing Agreement**"), relating to the supply and licensing of PEX010 by Filament in connection with the Palliative Care Clinical Trial now. All right, title and interest in and to the R&D Licensing Agreement and the license

contemplated therein has been assigned from the Company to PBM so that PBM may pursue the execution of the Palliative Care Clinical Trial. The Company and Filament also concluded a binding term sheet (the "**Commercial Term Sheet**"), relating to the commercial licensing of PEX010, which remained subject to the terms of a definitive agreement. Following further discussions, the parties mutually agreed to terminate the Commercial Term Sheet. Filament will continue to support the supply of PEX010 for the Palliative Care Clinical Trial.

All contracts material to the Psyence Therapeutics business and the Palliative Care Clinical Trial have been assigned by the Company to PBM as part of the implementation of the Business Combination. All contracts material to the Non-Clinical Assets have been assigned to PsyLabs as part of the implementation of the Strategic Restructuring.

The Company will sales and distribution rights for all products and services developed and offered by PsyLabs. The Company will also be entitled to a 3.5% royalty on net sales generated through the Non-Clinical Assets with respect to the intellectual property transferred as part of the Strategic Restructuring for a period of 7.5 years.

Update on Significant Milestones and Business Objectives

The below table is intended to provide an update, as at March 31, 2024 on the Company's business objectives and milestones as disclosed in the Company's Listing Statement dated January 25, 2021 ("**Listing Statement**"). The Company provides below the status of these milestones, the actual or revised estimated costs and the revised date of expected completion thereof, if applicable. Further, the Company has included additional objectives and milestones that have been identified since the date of the Listing Statement.

The following are "forward-looking statements" and accordingly, there is no guarantee that such milestones will be achieved on the timelines indicated, or at all. All milestones and business objectives are subject to the regulations and laws governing the jurisdictions in which Psyence operates. Forward-looking statements are based on management's current expectations and are subject to a number of risks, uncertainties, and assumptions. Please refer to "*Forward-Looking Information*" above and "*Risk Factors*" below for more information.

Objective	Milestones⁽¹⁾	Prior Estimated Cost in Listing Statement⁽²⁾	Actual or Revised Estimated Cost (January 25, 2021 to March 31, 2024)	Actual/ Estimated Timeframe for Completion⁽³⁾	Status
Psyence Production (Cultivation and Production)	Capital Expenditure Phase 1.	\$100,000	\$105,168	Q2 2021	Completed
	Commencing of cultivation including first harvest, sourcing of spores and hiring of mycologist and microbiologist. ⁽⁴⁾	\$20,500	\$19,015	Q1 2021 and Q2 2021	Completed
	First export ⁽⁵⁾	\$40,000	\$14,270	Q3 2022	Completed
	Ongoing cultivation and production expenditure. ⁽⁶⁾	\$70,500	\$487,992	N/A	Transferred to PsyLabs April 1, 2024
	Scale up of Production Facility. ⁽⁷⁾	Nil	\$150,978	Q2 2022	Completed
Psyence Therapeutics (Observational Studies)	Data collection from 3 rd party patient cohorts. ⁽⁸⁾	\$360,000	Nil	Q1 2022	Cancelled
	Observational studies at Lesotho.	\$361,000	Nil	N/A	Cancelled
	Observational studies of Animal Seizure Model. ⁽⁹⁾	Nil	\$16,205	Q1 2023	Completed

PSYENCE GROUP INC.
Management's Discussion and Analysis

Psyence Therapeutics and Psyence Function (Product Development)	Hiring of product development specialist. ⁽¹⁰⁾	\$85,000	\$54,708	N/A	Cancelled
	Engage consultants to develop slow-release product. ⁽¹¹⁾	\$130,000	\$28,471	Q4 2021	Cancelled
	Development of formulation.	\$137,000	Nil	N/A	Cancelled
	Commence clinical observational studies. ⁽¹²⁾	\$713,000	Nil	N/A	Cancelled
	Launch of functional mushroom brand, "GOODMIND". ⁽¹³⁾	Nil	\$330,458	Q2 2022	Completed
Psyence Therapeutics (Scientific Research and Clinical Trials)	Collaboration Agreement with SRC Phase 1, 2 and 3: Product and Protocol development, collection and storage of mushroom strains. ⁽¹⁴⁾	Nil	\$85,500	N/A	Ceased
Psyence Therapeutics (Extraction of Psilocybin and Research)	Finalize JV with Pure Extracts Technologies Corp.	Nil	\$2,000	Q2 2021	Completed
	Pure Extracts Technologies Corp. will facilitate the importation of psychedelic mushrooms into Canada.	Nil	N/A	N/A	Ceased
	Partnership Agreement with Eden for extraction and product development. ⁽¹⁵⁾	Nil	\$1,207,821	Q4 2023	In progress
Psyence Therapeutics (Clinical Trials)	Partnership agreement with Clerkenwell Health to jointly design UK clinical trials. ⁽¹⁶⁾	Nil	\$267,457	Q2 2022	Completed
	Licensing agreement with Filament Health Corp. ⁽¹⁷⁾	Nil	\$225,000	Q2 2022 and Q3 2023	Completed
	Product development with a Contract Development & Manufacturing Partner. ⁽¹⁸⁾	Nil	\$97,874	determined/A	Transferred to PsyLabs April 1, 2024
	LOI with iGENU to jointly design and deliver Phase IIb clinical trials in Australia. ⁽¹⁹⁾	Nil	\$ 105,618	Q1 2023	Completed
	iGENU MSA signed with iGENU to jointly design and deliver Phase IIb clinical trials in Australia. ⁽²⁰⁾	Nil	\$3,539,902	N/A	Transferred to PBM January 25, 2024
	Business combination between wholly owned subsidiary Psyence Biomed Corp. and Nasdaq listed Newcourt Acquisition Corp. ⁽²¹⁾	Nil	\$467,687	NA	Transferred to PBM January 25, 2024
TOTAL		\$2,017,000	\$7,206,124		

Notes:

- (1) There may be sound business reasons underlying the Company's decision to reallocate funds or not to proceed with a milestone.
- (2) These were, and still are, subject to receipt of necessary approvals, including the academic and scientific organizations with which the Company is working.
- (3) Based on a calendar year-end.
- (4) The Company concluded its first cultivation and harvest cycle of natural medical psilocybin mushrooms in January 2021. The Company hired a mycologist who started in May 2021.
- (5) The Company received an import permit for raw psilocybin material from Health Canada on behalf of Psilo Scientific and from the Portuguese regulators on behalf of Cooperativa de Ensino Superior Politécnico e Universitário (CESPU) in Portugal. The export took place in August 2022 after the Company secured an export permit from Lesotho. The Company has ceased business activities in Jamaica and has exported products to Canada, Portugal and the UK.
- (6) This includes work performed to achieve BSI certification as well as ongoing annual fees. The annual fees are ZAR80,000 (eighty thousand South African Rands).
- (7) The Company expanded its laboratory facility in Lesotho and added an overarching roof structure to cover the operations area. Construction work was completed in Q2 2022.
- (8) The Company had entered into a Research Collaboration Agreement with MycoMeditations Inc. for research and development based observational studies that have been completed. This project was cancelled due to the realignment of the Company's strategy.
- (9) The Company had entered into a Research Collaboration Agreement with the University of Toronto for research and development based observational studies of the effects of psilocybin in an Animal Seizure Model. The cost was \$16,205.
- (10) A service level agreement was entered into with Singapore-based medical biology, forensic science and product development company Base Pair Global Pte. Ltd ("BPH"). BPH completed the evaluation of the development of nutritional products and the Company concluded that it would not proceed with the program in order to prioritize the launch of the functional mushroom brand, GOODMIND™. The agreement with BPH was terminated in August 2021 by way of mutual agreement.
- (11) The Company entered a 3-month agreement with a consultant in August 2021 to start September 1, 2021, initially to develop the slow-release product with BPH, however the Company decided to prioritize the development and marketing of GOODMIND™.
- (12) The Company revised its strategy to allocate resources and funds to its Palliative Care Clinical Trial.
- (13) The Company entered a 50/50 joint venture through a South African-based special purpose vehicle, Good Psyence. The Company launched its functional mushroom brand, GOODMIND™, through Good Psyence in August 2021. The product was launched in the UK in Q4 2022.
- (14) As mentioned in note 5, the Company has ceased business activities in Jamaica.
- (15) The Company entered a partnership agreement with Eden. The partnership features a Global IP Licencing Agreement (the salient terms of which have been agreed) for the commercialization by the Company for the extraction technology and formulation IP developed by Eden to produce a water soluble, doseable, stabilized psilocybin powder naturally derived from the fruiting bodies of psilocybin-yielding mushrooms cultivated and processed at the federally licensed certified facility in Southern Africa. The specific terms of this Global IP Licencing Agreement was finalised. The cost was \$1,207,821 for the extraction machine.
- (16) The Company and Clerkenwell Health were responsible for jointly designing UK clinical trials. Clerkenwell Health assisted the Company in establishing procedures and protocols required to successfully run a clinical trial and gain regulatory approval for the Company's envisaged psilocybin-containing product range. The cost was \$267,457.
- (17) The Company had entered into an exclusive licencing agreement with Filament Health for the development of natural psilocybin products in respect of phase II clinical trials as well as an exclusive licencing agreement for the commercialisation of such products in respect of the phase III and commercialisation phase of drug development. The agreement was fulfilled at a cost of \$225,000.
- (18) The Company has partnered with a Contract Development and Manufacturing Partner in the UK for the development of standardised pharmaceutical grade psilocybin and psilocin extracts. The cost is \$97,874.
- (19) The Company signed a Letter of Intent with Australian CRO iGENU to execute the clinical development of psilocybin within palliative care. The LOI centres around the Company's global development and regulatory strategy of its licensed compound PEX010 in palliative care in Phase II clinical trials.
- (20) The Company signed a Master Services Agreement with Australian CRO iGENU to execute the clinical development of psilocybin within palliative care. The commencement, regulatory services and site selection have been completed. The cost for the clinical trial is estimated to be \$3,539,902.
- (21) The business combination between wholly owned subsidiary Psyence Biomed Corp. and Nasdaq listed Newscourt Acquisition Corp. was closed on January 25, 2024.

The allocation of capital towards the Company's ongoing projects and programs is largely dependent on the success, or difficulties encountered, in any part of the process and therefore the time involved in completing it. The time and cost associated with each step are highly dependent on the incremental results of each step and the Company's need to be flexible in reallocating capital to projects whose results show greatest potential. As such, it is difficult for the Company to anticipate the timing and costs associated with taking the projects to the next phase. The Company cannot make assurances that the foregoing estimates will prove to be accurate, as actual results and future events could differ materially from those anticipated. Investors are cautioned not to put undue reliance on the foregoing estimates.

Update on Use of Proceeds

The Company has committed the following capital expenditures to meet its planned growth and fund development activities as of March 31, 2024, and the Company does not anticipate, any changes to its previously made disclosure about the Company's intended use of proceeds except as described below.

The below table below sets out the anticipated use of the available funds and any variances to such use as described in the Listing Statement, and the Company's actual use of proceeds from financings and a private placement as at March 31, 2024. The current use of funds represents the total of the underspend/overspend. The Company notes that the below variances are not expected to have a material impact on the Company's ability to achieve its business objectives and milestones.

Use of Available Funds		Previous disclosure regarding use of proceeds in Listing Statement	Actual use of Proceeds as at March 31, 2024 (January 25, 2021 – March 31, 2024)	Additional amounts allocated/(redistributed) at March 31, 2024	Current use of proceeds (April 1, 2024 – March 31, 2025)
Psyence Production (Cultivation and Production)⁽¹⁾	Capital Expenditure Phase 1	\$100,000	\$105,169	\$5,169	Nil
	Commencing of cultivation including first harvest, sourcing of spores and hiring of mycologist and microbiologist	\$20,500	\$19,015	(\$1,485)	Nil
	First export	\$40,000	\$14,270	(\$25,730)	Nil
	Ongoing cultivation and production expenditure	\$70,500	\$487,992	\$417,492	Nil
	Scale up of Production Facility	Nil	\$150,978	\$150,978	Nil
Psyence Therapeutics (Observational Studies)⁽²⁾	Data collection from 3 rd party patient cohorts	\$360,000	\$70,000	(\$290,000)	Nil
	Observational studies at Lesotho clinic	\$361,000	Nil	(\$361,000)	Nil
	Observational studies of Animal Seizure Model	Nil	\$16,205	\$16,205	Nil
Psyence Therapeutics and Psyence Function (Product Development)⁽³⁾	Hiring of product development specialist	\$85,000	\$54,708	(\$30,292)	Nil
	Engage consultants to develop slow-release product	\$130,000	\$28,471	(\$101,529)	Nil
	Development of formulation	\$137,000	Nil	(\$137,000)	Nil

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	Commence clinical observational studies	\$713,000	Nil	(\$713,000)	Nil
	Launch of functional mushroom brand, "GOODMIND"	Nil	\$256,865	\$256,865	Nil
Psyence Therapeutics (Extraction of Psilocybin and Research)	Finalize Joint Venture with Pure Extracts Technologies Corp. ⁽⁴⁾	Nil	\$2,000	\$2,000	Nil
	Partnership Agreement with Eden for extraction and product development ⁽⁵⁾	Nil	\$1,207,821	\$1,207,821	Nil
Psyence Therapeutics (Clinical Trials)⁽⁵⁾	Collaboration Agreement with SRC Phase 1, 2 and 3: Product and Protocol development, collection and storage of mushroom strains	Nil	Nil	Nil	Nil
Psyence Therapeutics (Clinical Trials)	Partnership agreement with Clerkenwell Health to jointly design and deliver UK clinical trials ⁽⁶⁾	Nil	\$267,457	\$267,457	Nil
	Licensing agreement with Filament Health Corp ⁽⁷⁾	Nil	\$225,000	\$225,000	Nil
	Product development with a Contract Development & Manufacturing Partner	Nil	\$97,874	\$97,874	Nil
	LOI with Australian CRO iNGENU to jointly design and deliver AUS Phase IIb clinical trials.	Nil	\$105,618	\$105,618	Nil
	Master Service Agreement signed with iNGENU to jointly design and deliver Phase IIb	Nil	\$3,539,902	\$3,539,902	Nil

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	clinical trials in Australia.				
	Business combination between wholly owned subsidiary Psyence Biomed Corp. and Nasdaq listed Newcourt Acquisition Corp.	Nil	\$467,687	\$467,687	Nil
Other	Professional and consulting fees	\$630,000	\$10,633,285	\$10,600,000	\$596,715
	General and Administrative ⁽⁸⁾	\$901,219	\$3,695,899	\$3,500,000	\$705,320
	Investment from Private Placement ⁽⁹⁾	Nil	(\$4,449,167)	(\$4,449,167)	Nil
	Total use of funds	\$3,548,219	\$16,997,048	\$12,331,223	\$1,302,035
	Unallocated working capital⁽¹⁰⁾	\$2,294,510	(\$11,154,319)		
TOTAL		\$5,842,729	\$5,842,729		

Notes:

- (1) The Company completed the capital expenditure on Phase 1 of the setting up of the laboratory and grow room. Additional costs of \$5,000 were spent on upgrading the grow room. The Company finished the cultivation and first harvest within the budget. The Company sourced a new mycologist during the first quarter of 2021. This change led to a change in cultivation methods and therefore the overspend on ongoing cultivation.
- (2) The Company entered into a Research Collaboration Agreement with MycoMeditations Inc. for research and development based observational studies that have been completed. The actual spend for the period was \$70,000. This project was cancelled due to the realignment of the Company's strategy. In a separate initiative, the Company no longer anticipates conducting observational studies in Lesotho.
- (3) The Company revised its strategy and allocated resources and focus to its Palliative Care Clinical Trial. The Company entered a 50/50 partnership through a South African-based special purpose vehicle, Good Psyence. The Company launched its functional mushroom brand, GOODMIND™, through Good Psyence in August 2021. The product was launched in the UK in Q4 2022. The actual costs spend during the period was \$256,865.
- (4) The Company finalized the set-up of the joint venture with Pure Extracts Technologies Corp. The costs spend to set-up Pure Psyence Corp. was \$2,000. The joint venture was dissolved on March 2, 2023.
- (5) The Company entered a partnership agreement with Eden. The partnership features a Global IP Licencing Agreement (the salient terms of which have been agreed) for the commercialization by the Company for the extraction technology and formulation IP developed by Eden to produce a water soluble, doseable, stabilized psilocybin powder naturally derived from the fruiting bodies of psilocybin-yielding mushrooms cultivated and processed at the federally licensed certified facility in Southern Africa. The specific terms of this Global IP Licencing Agreement was finalised. The cost was \$1,207,821 for the extraction machinery.
- (6) The Company and Clerkenwell Health were responsible for jointly designing and delivering UK clinical trials.. Clerkenwell Health assisted the Company in establishing procedures and protocols required to successfully run a clinical trial to gain regulatory approval for the Company's envisaged psilocybin-containing product range. The actual cost spend was \$267,457.
- (7) The Company has ceased business activities in Jamaica and exported products to Canada, UK and Portugal. The Company has entered into a licensing agreement with Filament who will license its proprietary botanical drug candidate PEX010 (25mg), and the associated intellectual property for Psyence to use in the upcoming clinical trials.
- (8) General and administrative expenses are comprised of payroll consulting and benefits of \$1,429,459; office and administrative costs of \$1,693,506; sales and marketing investor relations costs of \$572,934.

- (9) Closing of third tranche of private placement of up to \$4.4 million.
(10) If there is any unallocated working capital balance, it will be held in short-term interest-bearing securities or in bank accounts at the discretion of management.

The Company has negative cash flow from operating activities and has historically incurred net losses. To the extent that the Company has negative operating cash flows in future periods, it may need to deploy a portion of its existing available cash to fund such negative cash flows. The expected use of funds represents the Company's current intentions based upon its present plans and business condition, which could change in the future as its plans and business conditions evolve. The amounts and timing of the actual use of the net proceeds depends on multiple factors and there may be circumstances where, for sound business reasons, a reallocation of funds may be necessary in order for the Company to achieve its stated business objectives. The Company may also require additional funds in order to fulfil its expenditure requirements to meet existing and any new business objectives, and the Company expects to issue additional securities or incur debt to do so. As a result, management retains broad discretion in the application of the available funds, and shareholders will be relying on the management's judgment regarding such application. There is no assurance that additional capital or other types of financing will be available if needed or that these financings will be on terms at least as favourable to the Company as those previously obtained.

See "Quarterly Results of Operations" section for a discussion of transaction costs, marketing expenditure and general and administrative expenses.

Intellectual Property

Trademarks

The trademark "GOODMIND" is currently owned by Good Psyence, who has applied to register the trademark "GOODMIND" in South Africa, UK, EU, USA, Canada and Australia.

The Company has filed applications for the registration of the Psyence™ trademark in several jurisdictions including Canada, USA, UK, South Africa and Jamaica. Confirmation of registration of the Psyence™ trademark has been received in respect of Jamaica and the UK. Furthermore, the Company has filed applications in Canada for the registration of several trademarks including LET PSYENCE LEAD THE WAY™, OPENING DOORST™, and QUALITY OF MIND™. Such trademarks are in the process of being assigned by the Company to PBM as part of the Business Combination.

Licensed Intellectual Property

As stated above, the Company has assigned its rights and obligations under the R&D IP Agreement to PBM as part of the Business Combination and terminated the Commercial Term Sheet with Filament. Please refer to the section titled *Relationships with Third Parties* for more information.

Regulatory Framework and Licensing Regime

A summary of the applicable regulatory framework for the Company's various business segments and interests and proposed business activity is set out in the table below.

Business Interests	Current / Proposed Jurisdiction of Operation	Summary of Applicable Regulatory Frameworks	Third-party CROs, Suppliers, and/or Manufacturers	Related Agreements/ Contracts⁵
Psyence Production – Psyence Production Facility ⁷	Lesotho	- Drugs of Abuse Act 5 of 2008 (Lesotho) - and international narcotics laws: - The Single Convention on Narcotic Drugs done at New York on 30 March 1961, as amended by the 1972 Protocol amending the Single Convention done at Geneva on 1972 - The Convention Against Psychotropic Substance done at Vienna on 21 February 1971	- Filament - Eden	- R&D IP Agreement - Extraction Project Heads of Terms and Global IP Licensing Agreement (under finalisation)

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		• The United Nations Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances done at Vienna on 20 December 1988¹		
Psyence Therapeutics – Research and Development ⁷ and Clinical Trials ⁸	UK, Canada, USA and Australia	UK: • 1971 UN Convention on Psychotropic Substances • Misuse of Drugs Act 1971 and Regulations 2001 • Psychoactive Substances Act 2016 • Human Medicines Regulations 2012² Canada: • Controlled Drugs and Substances Act • Food and Drugs Act, R.S.C. 1985, c. F-27, and the Food and Drug Regulations thereunder, C.R.C., c. 870³ USA: • Federal Food Drug and Cosmetic Act (FDCA)¹⁰ Australia: • The Therapeutic Goods Act 1989 • Therapeutic Goods (Poisons Standard—July 2023) Instrument 2023 • Customs (Prohibited Imports) Regulations 1956⁴	• Filament • iNGENū	• R&D IP Agreement • iNGENū MSA
Psyence Function – GOODMIND ^{TM7}	South Africa and UK	South Africa: • Foodstuffs, Cosmetics and Disinfectant Act, No 54 of 1972 • Medicines and Related Substances Control Act 101 of 1965⁵ UK: Food supplements are regulated by legislation made in each part of the UK. This legislative framework is still under investigation.	• Mycotritition GmbH	• Supply Agreement
Psyence Sales and Distribution	South Africa, UK, Canada, USA and Australia ⁹	South Africa, UK, USA Canada, and Australia: Please refer to the domestic and international narcotics laws listed above.	• PsyLabs	• Sales and Distribution Agreement

Notes:

- (1) For more information on the regulatory regime in Lesotho, please refer to "Lesotho" below.
- (2) For more information on the regulatory regime in the UK, please refer to "United Kingdom" below.
- (3) For more information on the regulatory regime in Canada, please refer to "Canada" below.
- (4) For more information on the regulatory regime in South Africa, please refer to "South Africa" below.
- (5) For more information on the regulatory regime in Australia, please refer to "Australia" below.
- (6) For more information regarding contracts related to the operations of the Company, please refer to "Material Contracts" below.
- (7) Now owned and operated by PsyLabs.
- (8) Now owned and operated by PBM.
- (9) The Company will continue to explore global markets opening up to lawful psilocybin trade.
- (10) For more information on the regulatory regime in the USA, please refer to "USA" below.

Lesotho

Mind Health Lesotho, now owned and operated by PsyLabs, has been issued a licence to engage in trade and/or manufacture by the Ministry of Trade and Industry, Cooperatives and Marketing (Lesotho), in terms of the Industrial Licensing Act 1969 and Trading Enterprises Act 1993, which licence has been properly and duly renewed.

The business activities in which Mind Health Lesotho currently engages is the growing, harvesting, storage and exportation of psilocybin containing mushrooms for medical and research purposes only ("**Lesotho Activities**"). Currently, Mind Health Lesotho only deals in raw materials in mushroom format, however upgrades and improvements to the PsyLabs Production Facility located in Kolojane,

Lesotho creates the opportunity for Mind Health Lesotho to expand its activities. The Lesotho Activities are conducted in accordance with the Mind Health Lesotho Permit. This permit authorizes Mind Health Lesotho to conduct the following activities: (a) cultivation of psilocybin; (b) importation of starting material for cultivation of psilocybin; (c) production and manufacture of psilocybin or forms thereof as an API (active pharmaceutical ingredient); (d) exportation of psilocybin, in all forms, to medicinal and pharmaceutical companies; and (e) importation of psilocybin in all forms. The minimum standards to be complied with include, among others, that: (a) activities conducted are for medical purposes only; (b) a qualified responsible pharmacist is present on site; (c) access control is in place; (d) temperature and humidity-controlled production environments and storage facilities are provided for; (f) an HVAC system will include high-efficiency particulate air (HEPA) filters; and (g) in the event of agricultural activities occurring within the Psyence Production Facility, that good agricultural practices are adhered to. The Mind Health Lesotho Permit expressly identifies the PsyLabs Production Facility located in Kolojane, Lesotho as the authorized premises to carry out the Lesotho Activities. The Mind Health Lesotho Permit was granted for a ten-year period, which is automatically renewable thereafter, provided that the Minister of Health (Lesotho) is satisfied that Mind Health Lesotho has conducted its activities in compliance with the permit and remains compliant upon the date of renewal.

The Lesotho Activities (and the regulation of controlled substances in general) are governed by the following pieces of legislation and applicable laws: (a) Drugs of Abuse Act 5 of 2008 ("**DAA**"); (b) Legal Notice: Appointment of the Lesotho Narcotics Bureau No. 86 of 2017; (c) The Single Convention on Narcotic Drugs done at New York on 30 March 1961 ("**1961 Convention**"), as amended by the 1972 Protocol amending the Single Convention done at Geneva on 1972 ("**1972 Protocol**"); (d) The Convention Against Psychotropic Substance done at Vienna on 21 February 1971 ("**1971 Convention**") and; (e) The United Nations Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances done at Vienna on 20 December 1988 ("**1988 Convention**").

The DAA was promulgated to govern and regulate controlled substances, issue licences and permits in respect of the activities involving controlled substances and establish the Lesotho Narcotics Bureau ("**LNB**"), among other things. The LNB is responsible for all duties of the National Narcotics Agency provided for under the 1961 Convention, advises the Minister of Health (Lesotho) on policy development and implementation with regard to illicit drugs and drug traffickers and co-ordinates all drug abuse related activities of government ministries, departments and non-governmental organisations aimed at illicit drug trafficking. Lesotho is a signatory to the following international conventions relating to narcotics and psychotropic substances: (a) the 1961 Convention and 1972 Protocol; (b) the 1971 Convention; and (c) the 1988 Convention. Lesotho has ratified the contents of the aforementioned international laws through the enactment of the DAA. In terms of the DAA, with reference to Schedule 1 as referred to in section 4(2) of the Act, psilocin and psilocybin are prohibited substances. This is aligned with Schedule 1 of the 1971 Convention where the active pharmaceutical ingredients psilocin and psilocybin are expressly prohibited. Article 2(9) of the 1971 Convention states that:

"the parties shall use their best endeavours to apply to substances which do not fall under this Convention, but which may be used in the illicit manufacture of psychotropic substances, such measures of supervision as may be practicable"

Accordingly, the appropriate discretion is given to a member state and or its delegates (in this case the Minister of Health (Lesotho)) in terms of the 1971 Convention to promulgate legislation, issue regulations or otherwise exercise the appropriate statutory powers if, in the member's opinion, a substance is necessary for medicinal purposes. The Minister of Health (Lesotho) is empowered under the DAA to ensure compliance the 1971 Convention and the recommendations of International Narcotics Control Board by exercising supervision and control over plants which may be used to manufacture a psychotropic substance (such as psilocybin). The DAA provides for the delegation of power to the Minister of Health (Lesotho) to promulgate regulations to regulate controlled substances as he deems necessary if he is of the opinion that same is necessary for medical or scientific purposes.

Section 9(4) of the DAA provides that no person who carries on a business of the manufacture, acquisition or supply of a drug of abuse, intended for medical, scientific use or other lawful use (referred to as an "**operator**") shall, among other things, acquire, possess or export a drug of abuse except pursuant to a licence issued by the Minister of Health (Lesotho). An operator who is required by the

DAA to be licensed shall apply in writing to the Minister of Health (Lesotho) for the granting of such a licence. The Minister may grant the licence if he/she is satisfied that the activity will be carried out exclusively for medical or scientific purposes. The LNB assists the Minister of Health (Lesotho) in assessing applications submitted for such operator licenses. In the event of the importation or exportation of a controlled substance, an application for the requisite import, export or transit permit must be made under section 14 of the DAA and such import, export or transit permit may be granted by the Minister of Health (Lesotho) pursuant to section 15 of the Act.

The DAA comprehensively sets out the administration, compliance and enforcement of its provisions in Part V of the Act. As stated above, the LNB is tasked with assisting the Lesotho Government in implementing the abovementioned UN drug conventions and the SADC Protocol on combating drugs and illicit drug trafficking. The DAA further regulates and empowers the Minister of Health (Lesotho), the LNB and/or their appointees to conduct compliance and enforcement measure as follows: (a) inspection for compliance (Division 2); (b) investigation of offences (Division 3); and (c) seizure and post seizure procedures (Division 4). Failure to comply with the provisions of the DAA is an offence, punishable by law and can result in the suspension or revocation of licences and permits issued thereunder.

Jamaica

The Company has ceased its activities in Jamaica, specifically the research collaboration with the SRC, an agency of the government of Jamaica with respect to a Research and Collaboration Agreement pursuant to which the parties intended commencing a research project entitled "*Collection, Cultivation, Characterization and Product Development of Psilocybin Containing Mushrooms*". The aforementioned project (now terminated) was the sole, active business activity in which Psyence Jamaica was engaged. The Company has filed a request for Psyence Jamaica to be removed from the list of registered companies appearing on the company register with the Companies Office of Jamaica.

South Africa

PBC entered into a joint venture with Goodleaf to launch a functional mushroom product under the name "GOODMIND" in South Africa, which products would be owned by and traded through Good Psyence (now owned by PsyLabs).

The GOODMIND™ products contain a range of functional/nutritional mushrooms including reishi, cordyceps CS-4 and lion's mane extracts as well as agaricus blazei, coriolus, Auricularia, shiitake and chaga. The products do not contain any psilocybin or any other controlled substance under the narcotics laws in South Africa. Online commercial sales of the products commenced in South Africa in calendar Q4 2021 and remain ongoing.

The GOODMIND™ products are governed by: (a) Foodstuffs, Cosmetics and Disinfectant Act, No 54 of 1972 ("**Foodstuffs Act**"); (b) Medicines and Related Substances Control Act 101 of 1965 ("**Medicines Act**"); and (c) all notices and regulations issued in accordance with the aforementioned Acts.

Foodstuffs

The Foodstuffs Act regulates and controls the sale, manufacture and importation of foodstuffs, cosmetics and disinfectants and provides for incidental matters. The enforcement of this Act is overseen by the Minister of Health (South Africa) and the inspectors appointed by the Director-General in the Department of Health (South Africa). No person may manufacture, import, sell or offer any foodstuff for sale, unless it complies with the Foodstuffs Act and the regulations thereto. No licences are required to be issued under the Foodstuffs Act to launch the GOODMIND™ products and these products may therefore be sold in an open shop. Provided that the products meet the quality, safety, labelling, packaging and other requirements set out in the Foodstuffs Act and its accompanying regulations, the products shall be lawful in South Africa.

Health supplements and complementary medicines

The Medicines Act provides for, *inter alia*, the registration of medicines and related substances intended for human and for animal use, the control of medicines and scheduled substances and medical devices and the regulation of the purchase and sale of medicines by manufacturers, distributors, wholesalers, pharmacists and persons licensed to dispense medicines. This Act established The South African Health Products Regulatory Authority ("**SAHPRA**") as an organ of state within the public administration but outside the public service. The enforcement and management of this Act is overseen by the Minister of Health (South Africa), with the support of SAHPRA and the Director-General in the Department of Health.

The classification of GOODMIND™ products as a foodstuff is more appropriate than the classifications of "complementary medicines" or "health supplements" as defined in the Medicines Act. Accordingly, the GOODMIND™ products do not require any registrations under the Medicines Act and have not been evaluated by SAHPRA for its quality, safety or intended use.

Health supplements are regulated in accordance with guidelines issued by SAHPRA titled "Registration of Medicines: CMs Health Supplements – Safety and Efficacy June 2020" which sets out standards to ensure that products sold to the public are of good quality and are safe. In this regard, reference is made to the "Roadmap and transitional process for the regulation of complementary medicines" issued by SAHPRA ("**Roadmap**"). This document establishes the roadmap and general overview for the regulatory pathway of complementary medicines including licensing in terms of section 22C(1)(b) of the Medicines Act and submission of applications for their registration following the implementation of the General Regulations in 2017 and applies to products for human consumption (discipline-specific medicines and health supplements).

No call-up notices for registration have been issued in respect of the GOODMIND™ products, nor are any such call-up notices anticipated, however should such call-up notices be received, Good Psyence will be required to follow the registration process set out in the Roadmap and adhere to the deadlines imposed by SAHPRA.

Online sales

As stated above the GOODMIND™ products may be sold in an open shop. The online sales of GOODMIND™ products are subject to consumer protection and information privacy laws. The Consumer Protection Act, No. 68 of 2006 ("**CPA**") is the legislative instrument governing liability in respect of defective or unsafe goods and general consumer protection. The Act provides for certain fundamental consumer rights, including: a) the consumer's rights to privacy; b) the right disclosure and information; c) the right to fair and responsible marketing; d) the right to fair and honest dealing; e) the right to fair, just and reasonable terms and conditions; f) the right to fair value, good quality and safety; and g) a supplier's accountability to consumers.

The Protection of Personal Information Act, No 4. of 2013 ("**POPI Act**") is akin to the EU's General Data Protection Regulation 2016/679 and places obligations upon responsible parties (called controllers in other jurisdictions) to lawfully process the personal information of data subjects (both natural and juristic persons). Online sales must ensure that the provisions of the POPI Act are adhered to.

Canada

The *Canadian Controlled Drugs and Substances Act* ("**CDSA**") generally prohibits all uses of controlled substances and makes it an offence to possess, produce, sell, traffic, import or export a substance including psilocin or psilocybin. However, these prohibitions are subject to exceptions, in particular an exemption for a medical or scientific purpose, such as research or clinical trials, pursuant to subsection 56(1) of the CDSA. An application must be submitted to Health Canada in order to receive such an exemption. Other than the joint venture formed with Pure Extracts Technologies Corp called "Pure Psyence" (now wound-up), the Company has not commenced psilocybin related commercial business activities in Canada. The Company will pursue sponsored research and collaboration agreements with a duly licensed academic institution to conduct research projects. At all times, the Company will enter

into partnerships with organisations which have obtained the necessary dealer's licence and/or section 56 exemption required to handle psilocybin in Canada as it currently does not possess any such licenses.

In addition to the CDSA, the import and export of psilocin or psilocybin are regulated under the Food and Drugs Act and the Food and Drug Regulations. A dealer's licence for psilocin or psilocybin may be obtained under Part J of the Food and Drug Regulations. These laws are described in more detail below:

CDSA

The CDSA is the critical piece of legislation applicable to psilocin, psilocybin, and other psychoactive substances in Canada. The criminal law power is the basis for this federal legislation regarding controlled drugs and substances. Both Psilocin (3-[2-(dimethylamino)ethyl]-4-hydroxyindole) and any salt thereof as well as psilocybin are (3-[2-(dimethylamino)ethyl]-4-phosphoryloxyindole) and any salt thereof are substances included in Schedule III of the CDSA.

Food and Drugs

In addition to the CDSA, the federal Food and Drugs Act, R.S.C. 1985, c. F-27, and the Food and Drug Regulations thereunder, C.R.C., c. 870, regulate food and drugs in Canada. Both psilocin (3-[2-(dimethylamino)ethyl]-4-hydroxyindole) and any salt thereof as well as psilocybin (3-[2-(dimethylamino)ethyl]-4-phosphoryloxyindole) and any salt thereof are restricted drugs included in the Schedule to which Part J of the Food and Drug Regulations is applicable.

Research

If the research to be conducted involves a drug for human use that is to be tested in a clinical trial involving human subjects, then Division V of the Food and Drug Regulations would be the applicable federal law. In addition, if the research is to be conducted in British Columbia or another province in Canada, then the provincial laws of that province should also be consulted, such as those laws regarding the protection of personal health information.

Exemptions & Licences – CDSA and Food and Drug Regulations

As stated above, the CDSA generally prohibits all uses of controlled substances and makes it an offence to possess, produce, sell, traffic, import or export a substance included in Schedule III, including psilocin or psilocybin. However, these prohibitions are subject to exceptions, in particular an exemption for a medical or scientific purpose, such as research or clinical trials, pursuant to subsection 56(1) of the CDSA, as follows: in terms of section 56(1) the Minister may, on any terms and conditions that the Minister considers necessary, exempt from the application of all or any of the provisions of this Act or the regulations any person or class of persons or any controlled substance or precursor or any class of either of them if, in the opinion of the Minister, the exemption is necessary for a medical or scientific purpose or is otherwise in the public interest. An application must be submitted to Health Canada in order to receive such an exemption.

A dealer's licence for psilocin or psilocybin may be obtained under Part J of the Food and Drug Regulations. An individual who ordinarily resides in Canada or a corporation with a head office or branch office in Canada is eligible to apply for a dealer's licence for permission to produce, assemble, sell, provide, transport, send, deliver, import or export psilocin or psilocybin as a licensed dealer. An Application for a Controlled Drugs and Substances Dealer's Licence must be submitted to the Office of Controlled Substances at Health Canada. In order to qualify as a licensed dealer, a party must meet all of the requirements mandated by Part J of the Food and Drug Regulations, including having staff that meet the qualifications for a senior person in charge and a qualified person in charge. A dealer's licence must be obtained for each site at which activities are to be conducted. The activities that the licensee may engage in are limited to the strict confines to the licence.

In addition to the dealer's licence, an application must be submitted, and a permit must be obtained from Health Canada before each import or export of a restricted drug such as psilocin or psilocybin by a licensed dealer. This allows the government to track every gram in the country.

United Kingdom

The Company entered into a services agreement with Clerkenwell Health, a private company located in England. Clerkenwell Health is a research focused consultancy providing bespoke psychedelic research. Under the terms of the service agreement, the parties intend to work together in connection with clinical trials and research associated with psilocybin.

In the United Kingdom, it is relevant to note that the term "psychedelics" has no legal meaning. Psilocybin and other drugs commonly referred to as "psychedelics" in modern society are subject to strict legal and regulatory requirements in the United Kingdom, as briefly summarized below.

UN Conventions

The objective of the UN Narcotics Conventions has been to establish an international framework for the control of psychoactive substances limiting their availability for medical and scientific purposes. The UN Conventions also promotes the establishment of criminal offences and penalties associated with the misuse of controlled drugs.

The 1971 UN Convention on Psychotropic Substances lists in schedule 1:

- Psilocine;
- psilotsin 3-[2-(Dimethylamino)ethyl]indol-4-ol;
- Psilocybine 3-[2-(Dimethylamino)ethyl]indol-4-yl hydrogen phosphate.

Psilocin is also known as "4-HO-DMT", "4-hydroxy DMT", "psilocine", "psilocin", or "psilotsin". The 1971 UN Convention does not expressly list species of mushroom (in their natural form) in which the substances mentioned above subsists in the schedule. However, the reach of the 1971 UN Convention is extended to include "preparations", being any solution or mixture, in whatever physical state, containing one or more psychotropic substances, or (ii) one or more psychotropic substances in dosage form. Notwithstanding the forgoing, the UK has controlled both psilocin and (since 2005) fungi containing psilocin.

The Misuse of Drugs Act 1971

The Misuse of Drugs Act 1971 ("**MDA**") is the key legislative framework in the United Kingdom as it relates to the possession and various activities associated with any "controlled drugs". The MDA reflects the UK's obligation and commitment to comply with the UN Conventions. The MDA, whilst establishing various criminal offences for the misuse of controlled drugs, enshrines into law the special protection envisaged by the international conventions for controlled drugs to be used for medical and scientific purposes.

The MDA has established three separate classes of controlled drug (Classes A, B and C). Controlled drugs in Class A are subject to the strictest legal controls (which would include cocaine and heroin) given their perceived risk to public health by their misuse.

The Psychoactive Substances Act 2016

Psychoactive Substances Act 2016 imposes a 'blanket' prohibition on acts of producing, supplying, offering to supply, or importing or exporting, a non-exempted psychoactive substance that is likely to be consumed by individuals for its psychoactive effect. The purpose of this legislation has been to curb the threat to public health and society from the illicit sale of products generally referred to as "legal highs", which are not categorized as a "controlled drugs" under the MDA or medicinal product (as defined by regulation 2 of the Human Medicines Regulations 2012 ("**HMR**").

Misuse of Drugs Regulations 2001

In compliance with the UN Narcotics Convention and pursuant to section 7(1) of MDA, the Misuse of Drugs Regulations 2001 ("**MDR**") regulates the availability of "controlled drugs" that have a recognised and legitimate use by allocating them to one of 5 schedules. Drugs listed under Schedule 1 of MDR

can only be possessed or supplied under a Home Office licence and cannot be prescribed by a medical practitioner. The Home Office may grant a special licence for a Schedule 1 controlled drug to be used for research and other purposes. Controlled drugs listed under Schedule 2 and 3 of the MDR can be made available for medical use and are capable of being prescribed by a medical practitioner. Psychedelic drugs (with few exceptions, such as ketamine) are scheduled under Schedule 1 of MDR on the basis that they are perceived as having no benefit to public health. This means that scientific study and research associated with psilocybin isolate would require a Home Office Licence.

Human Medicines Regulations 2012

It does not follow that merely because a drug appears in schedule 2 to 5 of the MDR that it may readily be prescribed to human beings. This is because there are strict and complex legal requirements in relation to "medicinal products". Under regulation 46(1), a person "may not sell or supply, or offer to sell or supply, an unauthorised medicinal product". Furthermore, by regulation 46(2), a person may not sell or supply, or offer to sell or supply, a medicinal product otherwise than in accordance with the terms of, (a) a UK marketing authorisation; (b) an EU marketing authorisation; (c) a certificate of registration; (d) a traditional herbal registration; or (d) an Article 126a authorisation. However, regulation 46(1) and (2), do not apply to the sale, supply, or offer for sale or supply, of an "investigational medicinal product" to a person specified in regulation 13(1) of the Medicines for Human Use (Clinical Trials) Regulations 2004 (SI 2004 No.1031) ("**CTR**"): "for the purposes of administering that product in a clinical trial, provided that the conditions specified in regulation 13(2) of those Regulations are satisfied" (HMR 2012, regulation 46(10)). Regulation 18 of the CTR makes provision for the "authorisation procedure for clinical trials involving general medicinal products". There can be circumstances in which an unauthorised "medicinal product" may be prescribed to fulfil special patient needs but this is subject to very tight and strict restrictions (regulation 167).

Scientific research

Some of the drugs listed in Schedule 1 to the MDR are those which scientists would like to research – such as psilocybin. The "public interest" test set out under section 7(4) MDA becomes relevant in this regard. Prohibition is not absolute and permits "research or other special purposes", and that practitioners, pharmacists and persons lawfully conducting retail pharmacy businesses, may be permitted to act in their capacity as such under licence or "other authority issued by the Secretary of State". Thus, a person (or legal entity) may carry out medical and scientific research, even when it relates to a schedule 1 drug - provided that there is official authority to do so (typically by way of a licence). The process for obtaining a licence and securing the authority of the MHRA to carry out clinical trials for example, can be protracted and expensive.

MHRA – Clinical Trial Authorization

In this paragraph an overview of the MHRA's process for obtaining a Clinical Trial Authorisation ("**CTA**") is set out. Clinical trials of medicines for human use are regulated under the CTR, as referenced above. A CTA together with a positive opinion from an Ethics Committee (as detailed below) must be granted before a clinical trial can proceed.

Two guidance documents were issued in March 2021 by the MHRA to assist with the CTA process, as referenced, which detail the requirements and details of how to submit an application.^{1,2} By way of summary, the following documents must be included in the submission package to the MHRA:

- A cover letter;
- A clinical trial application form;
- A protocol document;
- An investigator's brochure or document replacing this;
- An investigational medical product dossier (IPMD) or a simplified IPMD;
- A non-investigational medicinal product dossier if required;
- A summary of scientific advice obtained from the MHRA or any other regulatory authority, if available;
- Manufacturer's authorisation, including the importer's authorisation and Qualified Person declaration on good manufacturing practice for each manufacturing site if the product is

¹ [Clinical trials for medicines: apply for authorisation in the UK - GOV.UK \(www.gov.uk\)](https://www.gov.uk/guidance/clinical-trials-for-medicines-apply-for-authorisation-in-the-uk)

² [Clinical trials for medicines: manage your authorisation, report safety issues - GOV.UK \(www.gov.uk\)](https://www.gov.uk/guidance/clinical-trials-for-medicines-manage-your-authorisation-report-safety-issues)

- manufactured outside the EU;
- A copy of the UK or EMA's decision on the paediatric investigation plan and the opinion of the paediatric committee, if applicable; and
- The content of the labelling of the investigational medicinal product, or justification for its absence.

There are different fees payable dependent on the type of clinical trial application, as listed out in the referenced guidance note.³

The initial assessment is completed typically within 30 days of submission, although it can take longer for certain trials for which the MHRA will seek further advice.

The MHRA will confirm the outcome of the assessment of a submission as one of the following, as per Regulation 18(2) of the CTR 2004:

- Acceptance of the request for a clinical trial authorisation;
- Acceptance of the request for a clinical trial authorisation subject to conditions; or
- Grounds for non-acceptance of the request for a clinical trial authorisation.

If the request is not accepted, the applicants will be given the reasoning and must amend the application and resubmit. Additional charges can apply depending on the type of amendments that are to be made.

Ethics Committee

Approval will also be needed from an ethics committee before the trial begins, as per Regulation 12 of the CTR. This can be done either at the same time or after the submission to the MHRA has been made and are made via the National Research Ethics Service, which is part of the Health Research Authority. Regulation 15 of the CTR lists the considerations that may be taken into account by the ethics committee in making their decision.

Sponsors

Regulation 3(2) of the CTR provides details of the responsibilities of sponsors of clinical trials. Sponsors need to be established in the UK or a country on an approved country list which initially would include EU/EEA countries. If this is not the case, the sponsor must designate a UK legal representative.

As per Regulation 33 of the CTR, sponsors must submit reports of suspected unexpected serious adverse reactions (both United Kingdom and non-United Kingdom) relevant to a UK trial to the MHRA and the relevant research ethics committee. There is also a requirement to submit annual safety reports under Regulation 35 of the CTR. They must provide investigators with information on safety issues relevant to whether they enrol patients or allow them to continue with the study. The Company has secured approval however the UK trial has been paused while the Company prioritises the Palliative Care Clinical Trial in Australia.

The CTR require sponsors to provide adequate insurance or indemnity to cover liabilities that may arise in relation to the clinical trial. The MHRA expects that a sponsor's insurance policy or indemnity will reflect the form recommended by the Association of the British Pharmaceutical Industry (ABPI) Clinical Trial Compensation Guidelines.

Recreational Use of Psychedelics

In the United Kingdom, the law does not permit for a market to be established for the "recreational" sale or use of psychedelic products, as is consistent with the approach adopted uniformly amongst developed nations. The Company is therefore strictly prohibited from engaging in any activities associated with the recreational sale or use of psychedelic drugs in the United Kingdom, and its activities are strictly confined to medical and scientific research having obtained all necessary licences, authorisations and approvals.

³ [Current MHRA fees - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/publications/current-mhra-fees)

There is nothing under existing UK law that would legally permit the operation (in the UK) of retreats administering psilocybin in any form or to undertake the commercial sale or production of psilocin or fungi containing psilocin for "recreational" purposes.

Australia

The Therapeutic Goods Administration in Australia ("**TGA**") is Australia's government authority responsible for evaluating, assessing and monitoring products that are defined as therapeutic goods, and the use of therapeutic goods supplied in clinical trials in Australia under the therapeutic goods legislation. Such legislation includes The Therapeutic Goods Act 1989 ("**TG Act**"), Regulations and Orders which set out the requirements for inclusion of therapeutic goods in the Australian Register of Therapeutic Goods (ARTG).

Registration of medicines

For a prescription medicine to be registered in the ARTG, a sponsor of the product (usually a pharmaceutical company such as Psyence) is required to submit a dossier of evidence on the clinical efficacy, safety and manufacturing quality for evaluation by the TGA. Clinical trials of medicines and biologicals regulated under the Clinical Trial Notification (CTN) or Clinical Trial Approval (CTA) schemes are subject to the TGA's Good Clinical Practice (GCP) Inspection Program. The TGA has issued a handbook which provides guidance on the legislative, regulatory and good clinical practice (GCP) requirements when conducting clinical trials in Australia using 'unapproved' therapeutic goods in order to assist trial sponsors, Human Research Ethics Committees (HRECs), investigators and approving authorities (institutions) in understanding their roles and responsibilities under the therapeutic goods legislation.

Scheduling of Psilocybin

Until recently, psilocybin was included in Schedule 9 (Prohibited Substances) of the Poisons Standard which, because of interaction with state and territory regulation, largely restricted the lawful supply of goods containing psilocybin to clinical trial settings only. However, effective 1 July 2023, the TGA made the decision to down schedule psilocybin to Schedule 8 in the Poisons Standard when used in respect of certain conditions, namely for the treatment of treatment-resistant depression.

Importation

To import products that contain a controlled substance (such as psilocybin), the importer requires both an exemption, approval or authority under the TG Act and a licence and/or permit to import from the Office of Drug Control under the Customs (Prohibited Imports) Regulations 1956. Licences and permits to import psilocybin are only granted by the Office of Drug Control where the use of the substance is permitted by the relevant state or territory under their respective medicines and poisons legislation and the use of the of psilocybin is to be prescribed by an Authorised Prescriber or for an authorised clinical trial.

Psyence will monitor the evolution of Australia's regulations as they pertain to psilocybin and the conduct of clinical trials in Australia.

USA

In connection with the development and future commercialization (if applicable) of the psilocybin-based prospective products, each contemplated product candidate is subject to the Federal Food Drug and Cosmetic Act (FDCA). The FDCA is intended to assure the consumer, in part, that drugs and devices are safe and effective for their intended uses and that all labeling and packaging is truthful, informative, and not deceptive. The FDCA and FDA regulations define the term "drug," in part, by reference to its intended use, as "articles intended for use in the diagnosis, cure, mitigation, treatment, or prevention of disease" and "articles (other than food) intended to affect the structure or any function of the body of man or other animals." Therefore, almost any ingested or topical or injectable product that, through its label or labeling (including internet websites, promotional pamphlets, and other marketing material), that is claimed to be beneficial for such uses will be regulated by FDA as a drug. The definition also includes components of drugs, such as active pharmaceutical ingredients. Drugs must generally either receive premarket approval by FDA through the NDA process or conform to a "monograph" for a particular drug category, as established by FDA's Over-the-Counter (OTC) Drug Review. If the FDA does not award premarket approval for our product candidates through the NDA process, this could have a material adverse effect on our business, financial condition and results of operations.

The FDA will accept data from studies performed in other countries, as long as the study complies with GCP and ICH guidelines.

Corporate Governance and Compliance Program

Corporate governance refers to the policies and structure of the board of directors of a company, whose members are elected by and are accountable to the shareholders of the company. Corporate governance encourages the adoption of policies to ensure the board of directors recognizes the principles of good management. The Board is committed to sound corporate governance practices; as such practices are both in the interests of shareholders and contribute to effective and efficient decision-making. The Company has adopted corporate governance policies and guidelines (the "**Guidelines**") governing key matters and has accordingly enacted: (a) internal guidelines to control transactions involving its securities by all Company directors, officers and insiders (among others) to ensure that such parties are aware of and comply with their legal obligations with respect to "insider trading" and "tipping"; and (b) timely disclosure and confidentiality guidelines to ensure the timely and accurate disclosure of material information relating to the Company and/or its material subsidiaries in accordance with applicable securities laws and stock exchange rules, to prevent the improper use or disclosure of material information or confidential information about the Company and to promote an understanding of and compliance with legal requirements and stock exchange rules.

The Board shall: (a) review the Guidelines on an annual basis; and, (b) at a more appropriate time in the future, (i) implement additional corporate governance policies and guidelines; (ii) implement measures and processes to review critically each director's continuation on the Board every year considering, among other things, a director's service on other boards and the time involved in such other service; and (iii) establish a process for the evaluation of the performance of the Board and each of its committees.

The Company engages professional advisors (legal, financial, and technical) with the relevant expertise to provide assistance in navigating and managing the political, legal and cultural realities of the jurisdictions in which it operates and the impact it may have on the Company's business or operations on an as-needed basis. Additionally, the Company's management team has a long and successful history of doing business in Canada, United Kingdom and Southern Africa. With respect to Southern Africa specifically, the Company's management team has experience engaging with local communities and tribal chiefs as well as a working knowledge of the region's local legal, regulatory and political landscape. The management team's technical division is well acquainted with the region's natural terrain as well as its climactic and infrastructure related challenges.

The Company managers and monitors compliance with applicable laws in each jurisdiction in which it operates through its general legal counsel and Chief Financial Officer, who engage, as needed, local counsel in every jurisdiction, who provide legal opinions or advice in each of these jurisdictions regarding: (a) compliance with applicable laws and regulatory frameworks, (b) applications, maintenance and renewals of licences and permits, and (c) changes in the legal landscape affecting the Company operations.

The Company engages local legal counsel in each jurisdiction in which it conducts business or seeks to conduct business to ensure compliance with material legal, regulatory and governmental developments as they pertain to and affect the Company's operations. The Company's operations are conducted in compliance with local laws where such activities are permissible and either (a) do not require any specific legal or regulatory approvals, or (b) the Company has obtained all necessary legal and/or regulatory approvals.

The Company works with third party facilities, research institutions, and contract manufacturers who require regulatory licensing to handle scheduled drugs. Before commencing any commercial or other ventures with such third parties, the Company conducts a high-level legal, regulatory and quality control due diligence to verify claims made by such third parties. The Company ensures that contracted third parties provide the necessary warranties and undertakings required to ensure compliance with applicable laws in contracts concluded with such parties. Failure of third parties to comply with

applicable laws constitutes a material breach of contract, giving rise to a contractual right on the part of the Company to terminate any contract with such offending third party.

The Company held its annual and special general meeting of shareholders on June 7, 2024.

Overall Performance

Financial Information

The Company's most recent financial year end was March 31, 2024. This MD&A presents information relating to the year ended March 31, 2024 with comparative information being shown for the year ended March 31, 2023 ("**comparative period**").

Results and Overview of operations for the year ended March 31, 2023

Revenue and results

The Company did not report revenue from operations for the year ended March 31, 2024 (comparative period: \$0). The total comprehensive loss for the year ended March 31, 2024, was \$69,252,807 (comparative period: loss of \$6,177,228).

The total comprehensive loss relates to the strategic restructuring of business units the Company.

Sales and marketing costs

For the year ended March 31, 2024, the Company's sales and marketing costs of \$152,162 were incurred for fundraising activities, conferences, content, promotional materials and website design costs (comparative period: \$253,621).

Sales and marketing costs decreased in comparison to the comparative period as result of cost management.

Research and development

For the year ended March 31, 2024, the Company incurred research and development costs of \$1,579,253 (comparative period: \$2,297,703).

This consists of \$245,109 (comparative period: \$170,940) spent for the purposes of growing natural psilocybin mushrooms in compliance with the Mind Health Lesotho Permit and \$1,227,517 (comparative period: \$1,842,051) on the Palliative Care Clinical Trial, \$0 (comparative period: \$225,000) on drug licencing fees and \$106,627 (comparative period: \$59,712) on drug development. The decrease in clinical trial activity resulted in a decrease of costs. Costs incurred for the growing of mushrooms include grow consumables, laboratory testing, analysis of the mushrooms, and other direct growing costs.

General and administration costs

For the year ended March 31, 2024, the Company incurred general and administrative costs of \$1,132,680 which consisted of bank fees, filing fees, general office expenditure, facility maintenance, salaries and wages and operational costs (comparative period, \$763,642).

General and administrative costs increased in comparison to the comparative period as a result of increased administration cost by the Company.

Professional and consulting fees

For the year ended March 31, 2024, professional and consulting fees totalling \$2,297,951 were incurred (comparative period: \$2,558,981). This consisted of \$1,714,601 (comparative period: \$1,790,319) paid to consultants for product development, financial, business strategies and administrative services, \$0 (comparative period: \$17,434) in relation to the MSA which was cancelled, legal fees of \$402,613 (comparative period: \$454,909) paid to legal practitioners for various corporate matters, whilst \$16,306

(comparative period: \$43,384) was paid for accounting services and \$164,432 (comparative period: \$252,935) for audit fees.

The professional and consulting fees for the year decreased from the comparative period due to a reduction in consultants. This cost saving was offset by audit and legal fees increasing predominantly in connection with the proposed Newcourt transaction.

Other costs

The depreciation and amortization charge for the year was \$97,929 in total (comparative period: \$92,269). Of this amount, \$2,482 was charged for right-of-use assets (comparative period: \$2,838) and \$92,926 (comparative period: \$86,910) was depreciation on computer equipment, buildings, production equipment, furniture and leasehold improvements. The amortization of intangible assets was \$2,520 for the year (comparative period: \$2,521). This increase in depreciation is due to the upgrades of the Psyence Production Facility.

MindHealth Lesotho has a sub-lease agreement, for a portion of land situated at a cultivation site in Kolojane in the Berea District of Lesotho. The Company has developed a laboratory, production and processing facility on this portion of land (the Psyence Production Facility) at a cost of \$1,510,149 and this has a carrying value of \$1,363,883. In addition to the leased portion of land, MindHealth Lesotho is entitled to use the essential infrastructure and related services available at the cultivation site. The monthly rental, sewerage and drainage is Lesotho Loti 4,473 per month. The initial term of the lease is nine years commencing 1 June, 2020 and ending May 21, 2029. Thereafter, the Company has the option to renew the lease for a further ten-year period for a maximum of five times total.

Total assets at year end March 31, 2024

Total assets for the period were \$3,272,469 and comprised predominantly of: cash and cash equivalents of \$1,058,752, property, plant and equipment ("PPE") of \$1,466,680 and prepaids of \$442,269. PPE purchases included in prepaids were \$nil for the year ended March 31, 2024 (comparative period: \$264,094) and consisted of Psyence Production facility upgrades.

The Company has bank accounts denominated in Canadian dollars, US dollars, Great British pounds, Australian dollars, South African rands and Lesotho loti. At quarter end the Company had the following currency exposures on these accounts:

- Canadian bank accounts: \$27,256
\$961,505 (US\$713,515 – denominated in US dollars)
- Lesotho bank accounts: \$135 (US\$100 – denominated in US dollars)
\$2,144 (LSL29,993 – denominated in Lesotho loti)
- South African accounts: \$3,177 (ZAR44,434 – denominated in South African rand)
\$27,221 (US\$20,089 – denominated in US dollars)
- Australian accounts: \$2,247 (AUD\$2,546 – denominated in Australian dollars)
\$29,759 (US\$5,653 – denominated in US dollars)
- United Kingdom \$1,883 (GBP 1,100 – denominated in GB pound)

Operations

Quarterly Results of Operations

	Quarter end March 31, 2024 \$	Quarter end December 31, 2023 \$	Quarter end September 30, 2023 \$	Quarter end June 30, 2023 \$
Total Revenue	-	-	-	-
Total Comprehensive Loss	66,696,715	(269,611)	544,053	2,281,650
Loss per-share – Basic and diluted	(0.48)	0.00	0.00	(0.02)
Weighted Average Number of Shares	137,804,785	136,084,814	132,407,414	127,030,394

	Quarter end March 31, 2023 \$	Quarter end December 31, 2022 \$	Quarter end September 30, 2022 \$	Quarter end June 30, 2022 \$
Total Revenue	-	-	-	-
Total Comprehensive Loss	3,150,102	743,364	1,051,925	1,231,837
Loss per-share – Basic and diluted	(0.03)	(0.01)	(0.01)	(0.01)
Weighted Average Number of Shares	97,876,442	87,249,422	85,528,931	85,528,931

The consolidated financial statements have been prepared in accordance with IFRS as issued by the International Accounting Standards Board (IASB), and the interpretations of the IFRS Interpretations Committee (IFRIC), effective for the Company's reporting for the year ended March 31, 2024.

Mind Health Lesotho, Psyence South Africa and Psyence Australia are subsidiaries of the Company which have functional currencies of Lesotho loti, South African rand and US Dollars respectively that differs to the Company's presentation currency (Canadian dollars).

Liquidity and Capital Resources

	Year ended March 31,	
CAD \$	2024	2023
Cash used in operating activities	(4,916,481)	(3,641,143)
Cash used in investing activities	(990,072)	(430,190)
Cash raised from financing activities	4,581,953	2,960,047
Total Cash Movement	(1,324,600)	(1,111,286)

	12 months ended March 31, 2024
Net cash used in operating activities	This primarily relates to cash used for operating expenses including research and development expenses, salaries, professional fees, and other general and administration expenses. Cash flows from operating activities exclude expenses not affecting cash, such as share based compensation expenses, depreciation, unrealized foreign exchange gains or losses, and net changes in non-cash balances relating to operations. For the year ended March 31, 2024, cash used in operating activities was \$4,916,481 driven by a net loss of \$69,445,310 and non-cash unrealized foreign exchange loss of \$298,889 partially offset by the following non-cash items: share-based compensation of \$566,283, reversal of impairment of \$8,101, accretion consideration of \$1,238, loss on asset disposal of \$17,716, fair value loss on NCAC promissory note of \$81,901, fair value loss on convertible note liability of \$6,955,644, fair value loss on derivative warrant liabilities of \$413,031, gain on settlement of debt of 598,249, listing and transaction expenses of \$57,292,225 and depreciation and amortization of \$97,929.
Net cash used in investing activities	For the year ended March 31, 2024, investing cash flows of \$990,072 were driven by: Additions to property and equipment \$988,050, receipt of loan from Good Psyence of \$8,101 and Investment in GIC of \$10,123
Net cash from financing activities	For the year ended March 31, 2024, financing cash flows of \$4,581,953 was mainly driven by: Proceeds raised from share issuance of \$1,197,466, proceeds from convertible note liability of \$3,374,000.

Liquidity

Since incorporation, the operations have been solely financed from the issuance of equity. The Company's main use for liquidity is to fund scientific research, clinical studies, product development and manufacturing, salaries and professional and consulting fees. Construction of phase 2 of the Psyence Production Facility is only planned to commence when market demands dictating the supply of product require it. The ability to fund operations and to make planned cash flows are subject to prevailing economic conditions, regulatory and financial, business, and other factors, some of which are beyond the Company's control.

As at March 31, 2024 the Company had cash balances of \$1,058,752 and negative working capital of \$13,284,414. Working capital represents the excess of current assets over current liabilities. The Company is in its clinical trial and drug development stage as it researches and develops its IP portfolio in anticipation of manufacturing in the future. Therefore, the Company will not be able to generate sufficient amounts of cash and cash equivalents from its revenue generating operations in the short term. Accounts payable and accrued liabilities have contractual maturity dates within one year, lease liabilities which have contractual maturity dates spanning 7 years and amounts due to related parties have a contractual maturity date within one year. All significant contractual obligations and commitments are disclosed under *Discussion of operations* above and there are no other significant obligations maturing in the short term. The Company does not believe that it will be able to fund operations and significant projects within the next 12 months from the available cash and cash equivalents without

raising additional financing. The Company expects to remedy this working capital deficiency through the further issuances of common shares through private placements over the next 12 months. The Company prioritises expenditure, both capital and operational, by regularly reviewing its available cash and cash equivalent balances against the spend required to deliver on its key strategic objectives and milestones.

The Company's current expenditure obligations include commitments for those projects described in "*Business overview*" above. The Company expects to continue funding these projects with available cash and cash equivalents, and therefore, is subject to risks including, but not limited to, an inability to raise additional funds through the issuance of equity, debt instruments or similar means of financing to support the Company's continued development, including capital expenditure requirements, operating requirements and to meet its liabilities and commitments as they become due.

The Company has experienced operating losses and cash outflows from operations since incorporation and by nature of its business, will require ongoing financing to continue its research and development. It will require ongoing financing in order to continue production, research and development activities. The Company's ability to access both public and private capital is dependant upon, among other things, general and sectoral market conditions and the capital markets generally, market perceptions about the Company and its business operations, and the trading prices of the Company's securities from time to time. There can be no assurance that additional funds can be raised upon terms acceptable to the Company, or at all, as funding for early-stage companies remain challenging generally.

The Company's primary capital needs are funds to advance its research and development activities and for working capital purposes. These activities include staffing, pre-clinical studies, clinical trials and administrative costs. There are uncertainties regarding its ability to continue as a going concern. The Company has not earned any significant. There is no assurance that additional capital or other types of financing will be available if needed or that these financings will be on terms at least as favourable for the Company as those previously obtained, or at all. See "*Risk Factors*" below.

Lesotho is part of the Common Monetary Area ("**CMA**"), together with Namibia, South Africa and eSwatini (formerly Swaziland). There are no foreign exchange restrictions between banks of the CMA member countries in respect of cross-border transactions amongst themselves. Please refer to "*Exchange Controls, Currency Fluctuations and Credit Risks – Lesotho and South Africa*" below for more information on the exchange control regulations applicable in these CMA countries in respect of non-CMA countries. These exchange control processes are largely administrative in nature but may cause delays in the transfer of monies into and out of Lesotho and/or South Africa.

The Company manages its liquidity risk in these Southern African jurisdictions by ensuring that the inward flows of funds occur by way of a loan which is approved upfront by the necessary exchange control authorities. Once the inward loan is approved, the repayment of such loans is approved and the risk that funds will not be permitted to be repatriated is extinguished. Any liquidity risk in these Southern African jurisdictions is further mitigated by the fact that the Company does not hold excessive funds in these jurisdictions and manages its cash flows to meet the Company's Southern African commitments only.

Off Balance Sheet Arrangements

The Company has not had any off-balance sheet arrangements from the date of its incorporation to the date of this MD&A.

Transactions between Related Parties

Compensation to key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel, as defined by International Accounting Standards 24 *Related Party Disclosures*, include the Company's executive officers and Board of Directors. For the reporting period, they are as follows: Jody

PSYENCE GROUP INC.
Management's Discussion and Analysis

Aufrichtig, Warwick Corden-Lloyd, Corden-Lloyd Consulting, Alan Friedman, Bayline Capital Partners Inc., and Adri Botha.

Short term benefits consist of consulting fees, payroll and other benefits paid to key management personnel.

Key Management Personnel	March 31, 2024	March 31, 2023
Short term benefits	574,831	1,178,352
Share-based compensation	387,687	366,997
Total	962,518	1,545,349

Balances

As at March 31, 2024, the Company held amounts totaling \$28,111 (March 31, 2023 - \$22,881) in accounts payable and accrued liabilities. These are amounts owing to key management personnel.

Subsequent Highlights

On May 1, 2024, 924,996 RSUs were exercised by consultants into ordinary common shares of the Company.

During April 2024, the Company entered a conditional transaction to restructure its non-clinical business. The conditional transaction involved the transfer of the Company's non-clinical subsidiaries Mind Health (Pty) Ltd and Psyence South Africa (Pty) Ltd, the vehicles housing the psilocybin cultivation, extraction, and production operations in Southern Africa, Psyence UK Group Ltd, the entity engaged in Active Pharmaceutical Ingredient and IP development, and the joint venture Good Psyence (Pty) Ltd which holds the functional mushroom brand GOODMIND™ to a third-party private company. which will be responsible for raising the private investment required and ongoing finance to continue the operations of the Non-Clinical Assets.

The Company's subsidiary PBM has received additional financing of USD \$1,000,000 related to the Second Tranche of convertible notes:

- On May 31, 2024, the Company's subsidiary PBM received proceeds of USD \$250,000 related to the issuance of the Second Tranche Notes. The principal amount of \$312,250 was issued under the same terms as the First Tranche Notes, with interest accruing at 8.0% per annum from the issuance date. The Conversion Price remains subject to adjustment as per the terms outlined in the original Securities Purchase Agreement.
- On June 17, 2024, an additional USD \$250,000 in proceeds was received by the Company's subsidiary PBM for the issuance of the Second Tranche Notes. The principal amount issued was \$312,250, also under the terms consistent with the First Tranche Notes. Interest accrues at 8.0% per annum from the date of issuance, with the Conversion Price subject to the same adjustment mechanisms detailed in the initial agreement.
- On July 15, 2024, an additional USD \$500,000 in proceeds was received by the Company's subsidiary PBM for the issuance of the Second Tranche Notes. The principal amount issued was \$625,000, also under the terms consistent with the First Tranche Notes. Interest accrues at 8.0% per annum from the date of issuance, with the Conversion Price subject to the same adjustment mechanisms detailed in the initial agreement.

These subsequent financings are part of the Convertible Note Financing arrangement entered into in connection with the RTO Transaction.

The Company's subsidiary PBM has received two conversion notices related to the First Tranche of convertible notes:

- On May 15, 2024, a conversion notice was received for a principal amount of USD \$70,000. This amount converted at a VWAP of \$0.5361 per share, resulting in the issuance of 130,572 shares.
- On June 20, 2024, a second conversion notice was received for a principal amount of USD \$1,072,200. This converted at a VWAP of \$0.5361 per share, leading to the issuance of 2,000,000 shares.

Concurrently, the Company's subsidiary PBM issued 86,790 shares on May 15, 2024, and 78,522 shares on June 20, 2024, to cover outstanding interest on the outstanding principal at a VWAP of \$0.5361 per share.

These conversions and interest issuances are in accordance with the terms outlined in the Securities Purchase Agreement and are related to the Convertible Note Financing arrangement initiated in connection with the RTO Transaction.

In July, 2024, the Company's subsidiary PBM completed a warrant exchange agreement with an unaffiliated third-party investor of warrants to purchase the Company's common shares, no par value per share, which warrants are currently trading on Nasdaq. Pursuant to the Warrant Exchange Agreement, the Company's subsidiary PBM issued to the Holder 660,000 Common Shares in exchange for the surrender and cancellation of 660,000 Public Warrants held by the Holder.

On May 16, 2024, the Company's subsidiary PBM issued an additional 178,000 shares to third-party consultants and legal advisors.

Financial Instruments and Other Instruments

The Company's financial instruments consist of cash, other receivables, prepaids, accounts payable and accrued liabilities and amounts due to related parties. These financial instruments arise in the normal course of business and are classified and measured at amortized cost.

Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments. The Company does not partake in hedging activities.

The fair values of these financial instruments approximate their carrying values. As required by IFRS 9 *Financial Instruments*, the Company applies a forward-looking expected credit loss (ECL) model, at each balance sheet date, to financial assets measured at amortized cost to determine whether the asset is impaired.

In the normal course of business, the Company is exposed to a variety of financial risks: credit risk, liquidity risk, foreign exchange risk and interest rate risk. These financial risks are subject to normal credit standards, financial controls, risk management as well as monitoring. The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

Credit risk

Credit risk arises from cash and cash equivalents, restricted cash, other receivables and loan to joint venture. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses on financial assets. The Company minimizes the credit risk of cash by depositing with only reputable financial institutions. The Company also assesses the credit quality of counterparties, taking into account their financial position, past experience and other factors.

Cash consists of bank balances and an amount held in trust by a brokerage firm as security for foreign currency exchanges. Other receivables mainly consist of federal sales tax credits.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

As at March 31, 2024, the Company's financial liabilities consist of account payable, accrued liabilities, convertible note liability and a promissory note.

The Company manages liquidity risk through an ongoing review of future commitments and cash balances available. Historically, the Company's main source of funding has been the issuance of shares for cash, primarily through private placements. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity or debt funding.

The following table illustrates the contractual maturities of financial liabilities as at March 31, 2024:

Financial Instrument Maturity (\$)	Carrying amount	Contractual cash flows	Less than 1 year	Between 1 and 3 years
Accounts payable and accrued liabilities	1,447,138	1,447,138	1,447,138	-
Convertible note liability	10,375,773	5,250,625	338,780	4,911,875
NCAC promissory note	1,997,617	2,189,004	2,189,004	-
Total	13,820,528	8,886,727	3,974,892	4,911,875

Foreign exchange risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency.

The Company operates internationally and is exposed to foreign exchange risk from the LSL, ZAR, GBP, AUD and USD. Foreign exchange risk arises from transactions as well as recognized financial assets and liabilities denominated in foreign currencies.

A 10% adverse change in exchange rate would have resulted in a loss of \$14,722 as at March 31, 2024.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has no significant interest-bearing assets or liabilities and therefore its income and operating cash flows are substantially independent of changes in market interest rates. Management therefore regards liquidity risk to be low.

Capital management

The Company's objectives when managing its capital are to safeguard its ability to continue as a going concern, to meet its capital expenditures for its continued operations, and to maintain a flexible capital structure which optimizes the cost of capital within a framework of acceptable risk. The Company manages its capital structure and adjusts it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust its capital structure, the Company may issue new common shares, issue debt, or acquire or dispose of assets. The Company is not subject to externally imposed capital requirements.

Management reviews its capital management approach on an ongoing basis. The Company considers its shareholders' equity balance as capital.

Risk Factors

An investment in the Company is subject to various risks and should be considered highly speculative.

Prior to making an investment decision, investors should consider the investment risks set forth below which are in addition to the usual risks associated with an investment in a business at an early stage of development. The directors of the Company consider the risks set forth below to be the most significant, but do not consider them to be all of the risks associated with an investment in securities of the Company. If any of these risks materialize into actual events or circumstances or other possible additional risks and uncertainties of which the directors are currently unaware or which they consider not to be material in connection with the Company's business, actually occur, the Company's assets, liabilities, financial condition, results of operations (including future results of operations), business and business prospects, are likely to be materially and adversely affected. In such circumstances, the price of the Company's securities could decline, and investors may lose all or part of their investment.

Initial lack of business diversification

Because the Company will be initially focused on investment in businesses focused research and development, cultivation and production of psilocybin mushrooms and functional over-the-counter mushroom products, the prospects for the Company's success will be dependent upon the future performance and market acceptance of the facilities, products, processes and services in which the Company takes an interest. Unlike certain entities that have the resources to develop and explore numerous product lines or operate in multiple industries, the Company does not anticipate having the ability to immediately diversify or benefit from the possible spreading of risks or offsetting of losses. The Company holds interests in both the psychedelic and non-psychedelic areas of the mushroom industry. Again, the prospects for the Company's success may become dependent upon the development or market acceptance of a very limited number of facilities, products, processes or services.

Regulatory Compliance Risks

Part of the Company's business interest lie in the Kingdom of Lesotho pursuant to licenses and authorizations granted by Lesotho governmental authorities. To a lesser extent, the Company also has business interest in nascent operations focused on product development in South Africa. Certain activities conducted in these jurisdictions are permissible under the enabling Lesotho regulatory regimes, which are less restrictive and onerous than the Canadian regulatory regime.

In the past, Canadian courts and regulatory authorities have taken the view that it is not contrary to Canadian federal or provincial law for a person to be engaged in, or for an entity to hold interests in affiliates that are engaged in certain regulated activities where such activities may be regulated differently than in the home jurisdictions and have enforced extra-territorial laws even where such laws (or regulatory regimes applicable to certain activities or industries) differ from those in the Canadian jurisdiction. There still remains a risk that Canadian courts or applicable Canadian or other governmental authorities may take a contrary view with respect to the business of the Company and view the Company as having violated their local laws, despite all applicable Lesotho licenses or authorizations (and to a lesser extent, applicable South Africa licenses or authorizations (where required)) having been obtained. Therefore, there is a risk that civil and criminal proceedings, including class actions, could be initiated against the Company. Such potential proceedings could involve substantial litigation expense, penalties, fines, seizure of assets, injunctions or other restrictions being imposed upon the Company or its business partners, while diverting the attention of key executives. Such proceedings could have a material adverse effect on the Company's business, revenues, operating results and financial condition as well as an impact upon the Company's reputation.

There is no assurance that the Company will become profitable or pay dividends

There is no assurance as to whether the Company will become profitable or pay dividends. The Company has incurred and anticipates that it will continue to incur substantial expenses relating to the development and initial operations of its business. The payment and amount of any future dividends

will depend upon, among other things, the Company's results of operations, cash flow, financial condition and operating and capital requirements. There is no assurance that future dividends will be paid, and, if dividends are paid, there is no assurance with respect to the amount of any such dividends.

Material uncertainty about the Company's ability to continue as a going concern

The Company's ability to continue as a going concern is dependent upon its ability to raise funding, generate revenue and achieve profitable operations and, in the meantime, to obtain the necessary financing to meet its obligations and repay its liabilities when they become due. External financing, predominantly by the issuance of equity and debt, will be sought to finance the operations of the Company; however, there can be no certainty that such funds will be available at terms acceptable to the Company, or at all.

Substantial additional funding for the Palliative Care Clinical Trial being carried out by PBM

The Company has a sizable stake in PBM and conducting clinical trials and developing biopharmaceutical products is expensive and time consuming. We expect that PBM will require substantial additional capital to conduct research, preclinical studies and clinical trials for the current and future trials, seek regulatory approvals for its drug candidates and launch and commercialize any products for which it may receive regulatory approval. Similarly, should the Company undertake similar endeavours, such endeavours will require the same capital commitments, including the costs associated with building our own commercial sales, marketing and distribution organization.

Additional unforeseen costs due to health and medical regulators

Due to the numerous risks and uncertainties associated with the development of drug candidates, Psyence is unable to predict the timing of the generation of any meaningful revenue by PBM or PsyLabs or whether any of these business will be able to achieve or maintain profitability, if ever. The TGA, FDA, the EMA, MHRA, or other comparable foreign regulatory authorities could require the performance of preclinical studies or clinical trials in addition to those that PBM or PsyLabs currently anticipates which could lead to delays in drug development programmes and timelines. There may also be delays in any of their respective future collaborators' clinical trials or the development of the existing drug candidates and any other drug candidates that Psyence may itself identify. Even if existing drug candidates or any future drug candidates that Psyence may identify are approved for commercial sale, Psyence anticipates incurring significant costs associated with commercializing and distributing any approved product and ongoing compliance efforts.

Commercialization and Marketing of Products

The Company is reliant on employees and third-party consultants and service providers to assist in investigating the process of developing, commercializing and distributing psilocybin mushroom products. No assurance can be given that the results of these investigations will determine that manufacturing and distribution of these products will be feasible or commercially viable. A failure to obtain satisfactory results on these investigations could have a material adverse effect on the Company's business and may adversely affect the Company's ability to begin earning revenue.

Risk of failure for drug candidates proceeding through clinical trials

Psyence has no registered pharmaceutical products on the market, and PBM's new potential psilocybin-based drug candidates are currently in the clinical development phase. Psyence's ability to achieve and sustain profitability with respect to prospective drug candidates in which psilocybin is featured as the active pharmaceutical ingredient depends on obtaining regulatory approvals for and, if approved, successfully commercializing, its drug candidates, either alone or with third parties. Before obtaining regulatory approval for the commercial distribution of its current or future drug candidates, PBM or

Psyence or an existing or future collaborator (as the case may be) must conduct extensive preclinical tests and clinical trials to demonstrate the safety, purity and potency of its drug candidates.

Generally, there is a high rate of failure for drug candidates proceeding through clinical trials. Both PBM and Psyence may suffer significant setbacks in its clinical trials similar to the experience of a number of other companies in the pharmaceutical and biotechnology industries, even after receiving promising results in earlier trials.

Dilution of ownership in PBM and PsyLabs

Both PBM and PsyLabs will require additional funds to grow the businesses and if such additional funds are to be raised through issuances of equity or convertible debt securities, the Company could suffer significant dilution, and any new equity securities issued could have rights, preferences and privileges superior to those held by the Company. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be acceptable to existing PBM or PsyLabs shareholders, including the Company. In addition, there can be no assurance that future financing can be obtained without substantial dilution to existing shareholders in these businesses.

Risks related to the Business of PBM

There are numerous risks and uncertainties associated with the PBM business including, among others: (i) the ability of iGENU to execute its obligations in respect of the Palliative Care Clinical Trial; (ii) changes in applicable laws which may impact the clinical trial and/or the conducting thereof; (iii) Psyence Australia's ability to achieve successful clinical results; (iv) PBM's ability to obtain regulatory approval for its product candidates, and any related restrictions or limitations of any approved products; (v) PBM's ability to obtain licensing of third-party intellectual property rights and supply of raw materials for future discovery and development of its product candidates; (vi) the ability of PBM to maintain the listing of its common shares and warrants on Nasdaq; and (vii) volatility in the price of the securities of PBM due to a variety of factors, including changes in the competitive and highly regulated industries in which PBM operates, variations in performance across competitors, changes in laws and regulations affecting PBM's business and changes in PBM's capital structure.

The foregoing list of factors is not exhaustive, however, please refer to the other risks and uncertainties described in the "Risk Factors" section of the Registration Statement on Form F-1, initially filed by PBM with the SEC on February 9, 2024 and other documents filed by PBM from time to time with the SEC.

Risks related to the Business of PsyLabs

There are numerous risks and uncertainties associated with the PsyLabs business including, among others: (i) the ability of the PsyLabs management team to execute its strategy in respect of the Non-Clinical Assets; (ii) changes in applicable laws which may impact the research and development and cultivation and production elements of the PsyLabs business; (iii) PsyLabs' ability to obtain satisfactory patent protection over its novel creations; (iv) PsyLabs' ability to obtain regulatory approval for its product candidates, and any related restrictions or limitations of any approved products; (v) PsyLabs' ability to maintain the MindHealth Lesotho Permit; (vi) changes in laws and regulations affecting PsyLabs' business; and (vii) changes in PsyLabs' capital structure.

Reliance on Third Party IP

We do not currently own any granted patents, so any product development endeavours will require heavy reliance on license agreements with third parties under which we are granted rights to intellectual property that are important to our business. If disputes over intellectual property that we have licensed prevent or impair our ability to maintain our current licensing arrangements on acceptable terms, we may be unable to successfully develop and commercialize the affected drug candidates or other psilocybin-based products.

Additional Risks related to doing Business Internationally

International markets will be a focus for expansion and revenue growth for the Company. Several factors, including legal and regulatory compliance and weakened economic conditions in any of the international jurisdictions in which the Company expects to do business or have projects, could adversely affect such expansion and growth. Additionally, the Company's entry into new international jurisdictions requires management attention and financial resources that would otherwise be spent on other parts of the business. Some of the countries in which the Company expects to sell products are to some degree subject to political, economic, and/or social instability. International business operations expose the Company to risks and expenses inherent in operating or selling products in foreign jurisdictions, and developing and emerging markets in particular, where these risks may be heightened. In addition to the risks mentioned elsewhere, these risks and expenses could have a material adverse effect on the Company's business, results of operations or financial condition and include without limitation:

- adverse currency rate fluctuations;
- risks associated with complying with laws and regulations in the countries in which the Company expects to sell products, and requirements to apply for and obtain licenses, permits or other approvals and the delays associated with obtaining such licenses, permits or other approvals;
- multiple, changing and often inconsistent enforcement of laws, rules and regulations;
- risks associated with reliance on international agents and representatives, including the possible failure of such agents and representatives to appropriately understand, represent and effectively market the Company's products;
- the imposition of additional foreign governmental controls or regulations, new or enhanced trade restrictions or non-tariff barriers to trade, or restrictions on the activities of foreign agents, representatives and distributors;
- increases in taxes, tariffs, customs and duties, or costs associated with compliance with import and export licensing and other compliance requirements;
- the imposition of restrictions on trade, currency conversion or the transfer of funds or limitations;
- the imposition of Canadian and/or other international sanctions against a country, company, person or entity with whom the Company does business that would restrict or prohibit the Company's ability to carry out its operations in Lesotho;
- downward pricing pressure on the Company's products in the international markets, due to competitive factors or otherwise;
- laws and business practices favouring local companies;
- political, social or economic unrest or instability, including without limitation military conflicts and acts of terrorism, military repression, war or civil war, social and labour unrest, organized crime, hostage-taking and violent crime;
- expropriation and nationalization and/or renegotiation or nullification of necessary licenses, approvals, permits and contracts;
- greater risk on credit terms, longer payment cycles and difficulties in enforcing agreements and collecting receivables through certain foreign legal systems;
- difficulties in enforcing or defending intellectual property rights; and
- the effect of disruptions caused by severe weather, natural disasters, outbreak of disease or other events that make travel to a particular region less attractive or more difficult.

Governments in certain foreign jurisdictions intervene in their economies, sometimes frequently, and occasionally make significant changes in policies and regulations. Operations may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on doing business, price controls, export controls, currency remittance, importation of product and supplies, income and other taxes, royalties, the repatriation of profits, expropriation of property, foreign investment, maintenance of concessions, licenses, approvals and permits, environmental matters, land use, land claims of local people, water use and workplace safety. Furthermore, some of the Company's operations are conducted in parts of the world that experience illegal sales practices or corruption or are operated under legal systems susceptible to undue influences to some degree. Although the Company has policies and procedures in place that are designed to promote legal and regulatory compliance, the employees, business partners and consultants of the Company could take actions that violate applicable anticorruption laws or regulations. Violations of these laws, or allegations of such violations, could result in loss, reduction or expropriation and/or have a material adverse effect on the Company's business, results of operations or financial condition. The Company's international efforts may not produce desired levels of sales. If and when the Company enters into new markets in the future, it may experience different competitive conditions and/or different customer requirements. As a result, the Company may be less successful than expected in expanding sales in its future targeted international markets. Sales into new international markets may take longer to ramp up and reach expected sales and profit levels, or may never do so, thereby affecting the Company's overall growth and profitability. To build brand awareness in these new markets, the Company may need to make greater investments in legal compliance, advertising and promotional activity than originally planned, which could negatively impact the expected profitability of sales in those markets. These or one or more of the other factors listed above may harm the Company's business, results of operations or financial condition.

The Company will continue to monitor developments and policies in the emerging markets in which it will operate and assess the impact thereof to its operations, however such developments cannot be accurately predicted and could have an adverse effect on the Company's operations or profitability.

MindHealth Lesotho's Reliance on Licenses and Authorizations

The Company wishes to sell and distribute products and services being developed and offered by MindHealth Lesotho, through PsyLabs. MindHealth Lesotho's ability to grow, process, store, export and sell psilocybin mushrooms and psilocybin mushroom products in the Kingdom of Lesotho is dependent on its ability to sustain or obtain the necessary licenses and authorizations by certain government authorities in the Kingdom of Lesotho, including, but not limited to, its current licence, the Mind Health Lesotho Permit. The licenses and authorizations are subject to ongoing compliance and reporting requirements, and the ability of MindHealth Lesotho to obtain, sustain or renew any such licenses and authorizations on acceptable terms is subject to changes in regulations and policies and to the discretion of the applicable authorities or other governmental agencies in foreign jurisdictions.

Failure to comply with the requirements of the licenses or authorizations or any failure to maintain the licenses or authorizations in Lesotho would have a material adverse impact on the business, financial condition and operating results of MindHealth Lesotho. Although the Company believes that MindHealth Lesotho will meet the requirements to obtain, sustain or renew the necessary licenses and authorizations, there can be no guarantee that the applicable authorities will issue or renew these licenses or authorizations (as the case may be). Should the authorities fail to issue or renew the necessary licenses or authorizations, MindHealth Lesotho may be curtailed or prohibited from the production of psilocybin mushrooms or from proceeding with the development of its operations as currently proposed and the business, may have a materially adversely affect on the Company's envisaged sales and distribution endeavours.

There is currently no Jamaican legislation which specifically regulates psilocybin, or psilocybin containing mushrooms in the way that, for example, cannabis is regulated in Jamaica. Due to the ceasing of operations in the territory, the developments in Jamaican legislation shall remain monitored by the Company. Please refer to "*Regulatory Framework and Licensing Regime – Jamaica*" above for more information, which section has been included for information purposes.

Negative Results from Clinical Trials

From time to time, studies or clinical trials on medical-grade psilocybin mushroom products may be conducted by academics, research institutions or others, including government agencies. The publication of negative results of studies or clinical trials related to PsyLabs', PBM's or the Company's proposed products or the therapeutic areas in which these proposed products will compete could have a material adverse effect on the Company's sales and distribution endeavours and the value of its interests on PsyLabs and PBM.

Serious adverse events or other safety risks

If any of Psyence's future drug candidates, prior to or after any approval for commercial sale, cause serious or unexpected side effects, or are associated with other safety risks such as misuse, abuse or diversion, a number of potentially significant negative consequences could result, for example, regulatory authorities may interrupt, delay or halt clinical trials, regulatory authorities may deny regulatory approval of future drug candidates or Psyence could be sued and held liable for harm caused to patients. Any of these events could prevent us from achieving or maintaining market acceptance of our drug candidates, if approved, and could significantly harm our business, financial condition, results of operations and prospects.

Research and Development Project Implementation

There is no guarantee that the Company's intended project implementation timelines will be met as anticipated, or at all. The failure to achieve these milestones and deliverables could negatively impact the Company's ability to raise additional funds required to fund its ongoing operations and research and development initiatives, ultimately impacting the financial viability of the Company. There is also no guarantee that the Company's research and development efforts will result in commercially viable products, suitable for registration with the necessary authorities, or that its sales and distribution efforts will be met with adequate demand for the envisaged products or services being sold.

Health Canada Regulations

If the Company decides to conduct any future research in Canada into products that involve ingredients that are controlled under the CDSA (including certain psychedelics such as psilocybin) it will require a research license or Section 56 Exemption from Health Canada with similar controlled substance authorizations required from a federal, competent authority in other jurisdictions. There is no assurance that such exemption would be granted, and if it were not to be granted, it might prevent the Company from handling and researching such products in Canada without collaborating with a licensed partner.

The Expansion of the Use of Psychedelics in the Medical Industry may require New Clinical Research

Research in Canada and internationally regarding the medical benefits, viability, safety, efficacy, addictiveness, dosing and social acceptance of psychedelic and psychoactive products derived from psilocybin remains in early stages. There have been relatively few clinical trials on the benefits of such products. Although the Company believes that the articles, reports and studies support its beliefs regarding the medical benefits, viability, safety, efficacy, dosing and social acceptance of psychedelic and psychoactive products derived from psilocybin, future research and clinical trials may prove such statements to be incorrect, or could raise concerns regarding, and perceptions relating to, psychedelic and psychoactive products derived from psilocybin. Given these risks, uncertainties and assumptions, readers should not place undue reliance on such articles and reports. Future research studies and clinical trials may draw opposing conclusions to those stated in this MD&A or reach negative conclusions regarding the medical benefits, viability, safety, efficacy, dosing, social acceptance or other facts and perceptions related to psychedelic and psychoactive products derived from psilocybin, which could have a material adverse effect on the demand for the Company's products/compounds with the

potential to lead to a material adverse effect on the Company's business, financial condition and results of operations.

Competition from Other Companies

An increase in the companies competing in this industry could limit the ability of the Company to expand its operations. Current and new competitors may have better capitalization, a longer operating history, more expertise and be able to develop higher quality equipment or products at the same or a lower cost. The Company cannot provide assurances that it will be able to compete successfully against current and future competitors. Competitive pressures faced by the Company could have a material adverse effect on its business, operating results and financial condition.

Unfavourable Publicity or Consumer Perception

The Company believes the naturally derived medicinal-grade psilocybin mushroom industry is highly dependent upon consumer perception regarding the safety, efficacy and quality of psilocybin mushrooms distributed to such consumers. Consumer perception of PsyLabs', PBM's or the Company's products may be significantly influenced by scientific research or findings, regulatory investigations, litigation, media attention and other publicity regarding the consumption of naturally derived, medicinal-grade psilocybin mushroom products. There can be no assurance that future scientific research, findings, regulatory proceedings, litigation, media attention or other research findings or publicity will be favourable to the naturally derived medicinal-grade psilocybin mushroom market or any particular product, or consistent with earlier publicity. Future research reports, findings, regulatory proceedings, litigation, media attention or other publicity that are perceived as less favourable than, or that question, earlier research reports, findings or publicity could have a material adverse effect on the demand for the Company's products and the business, results of operations, financial condition and cash flows of the Company. The Company's dependence upon consumer perceptions means that adverse scientific research reports, findings, regulatory proceedings, litigation, media attention or other publicity, whether or not accurate or with merit, could have a material adverse effect on the Company, the demand for the Company's products, and the Company's business, results of operations, financial condition and cash flows. Further, adverse publicity reports or other media attention regarding the safety, efficacy and quality of naturally derived medicinal-grade psilocybin mushroom in general, or the Company's products (as developed or distributed) specifically, or associating the consumption of naturally derived medicinal-grade psilocybin mushroom's negative effects or events, could have such a material adverse effect. Such adverse publicity reports or other media attention could arise even if the adverse effects associated with such products resulted from consumers' failure to consume such products appropriately or as directed.

Development of the Business of the Company

The development of the business of the Company and its ability to execute on its expansion opportunities described herein will depend, in part, upon the amount of additional financing available. Failure to obtain sufficient financing may result in delaying, scaling back, eliminating or indefinitely postponing expansion opportunities and the business of the Company's current or future operations. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be acceptable to the Company. In addition, there can be no assurance that future financing can be obtained without substantial dilution to existing shareholders.

The Company may incur significant ongoing costs and obligations related to its investment in infrastructure, growth, regulatory compliance and operations

Although the Company plans to expand its asset-light business model in addition to the marketing and distribution of PsyLabs' products and services, by minimizing asset maintenance costs through the Strategic Restructuring and identifying additional less capital-intensive opportunities in the psychedelics

space, the Company expects that it may incur significant ongoing costs and obligations related to its investment in developing its business and the product sales and distribution pathway, which could have a material adverse impact on the Company's results of operations, financial condition and cash flows. In addition, future changes in regulations, more vigorous enforcement thereof or other unanticipated events could require extensive changes to the Company's operations, increased compliance costs or give rise to material liabilities, which could have a material adverse effect on the business, results of operations and financial condition of the Company. The Company's efforts to grow its business may be costlier than the Company expected, and the Company may not be able to increase its revenue enough to offset its higher operating expenses. The Company may incur significant losses in the future for a number of reasons, including the other risks described in this MD&A, unforeseen expenses, difficulties, complications and delays, and other unknown events. If the Company is unable to achieve and sustain profitability, the market price of the common shares may significantly decrease.

Inability to Innovate

In the area of innovation, the Company must be able to develop new products that appeal to customers. This depends, in part, on the technological and creative skills of its personnel and on its ability to register and protect its intellectual property rights.

Personnel

The Company has a small management team, and the loss of any key individual could affect the Company's business. Additionally, the Company will be required to secure additional personnel to facilitate its marketing and product development initiatives. Any inability to secure and/or retain appropriate personnel may have a materially adverse impact on the business and operations of the Company.

The Continued Development of the Company and its Business will require Additional Financing

The failure to raise additional capital could result in the delay or indefinite postponement of current business objectives or the Company going out of business. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be favourable to the Company.

If additional funds are raised through issuances of equity or convertible debt securities, existing shareholders could suffer significant dilution, and any new equity securities issued could have rights, preferences and privileges superior to those of holders of common shares

The Company's articles permit the issuance of an unlimited number of common shares, and shareholders will have no pre-emptive rights in connection with such further issuance. The directors of the Company have discretion to determine the price and the terms of issue of further issuances. Moreover, additional common shares will be issued by the Company on the exercise of options under the Company option plan and restricted share units under the Company restricted share unit plan, and upon the exercise of the Company's outstanding warrants. In addition, from time to time, the Company may enter into transactions to acquire assets or shares of other companies. These transactions may be financed wholly or partially with debt, which may temporarily increase the Company's debt levels above industry standards. Any debt financing secured in the future could involve restrictive covenants relating to capital raising activities and other financial and operational matters, which may make it more difficult for the Company to obtain additional capital and to pursue business opportunities, including potential acquisitions.

Developing laws and enactment of new regulations governing psilocybin-containing products

The success of any proposed drug candidates and future approved products, if any, is subject to a number of constantly evolving state and federal laws, regulations, and enforcement policies pertaining

to psilocybin containing products. Local, state, federal, and international psilocybin laws and regulations remain highly restrictive and subject to evolving interpretations, which could require Psyence to incur substantial costs associated with compliance requirements. Psyence cannot predict the nature of any future laws, regulations, interpretations, or applications, nor can it determine what effect additional governmental regulations or administrative policies and procedures, when and if promulgated, could have on its activities in the psychedelics industry. There can be no assurance that drug candidates containing psilocybin (as the active pharmaceutical ingredient) will be approved for commercialization in Australia, the US or any other target jurisdiction at any time in the near or distant future. Any regulations the FDA issues relating to the sale, marketing, and/or other activities involving administration of psilocybin or psilocybin-assisted psychotherapy could have a material adverse effect on Psyence's business, financial condition and results of operations.

Change in Laws, Regulations and Guidelines

The cultivation, processing, manufacturing, packaging, labeling, advertising and distribution of the Company's planned products is subject to regulation by one or more governmental authorities, and various agencies of the federal, provincial, state and localities in which these products are sold. These government authorities may attempt to regulate any of its products that fall within their jurisdiction. Such governmental authorities may not accept the evidence of safety for any ingredients that the Company may want to market, may determine that a particular product or product ingredient presents an unacceptable health risk and may determine that a particular statement of nutritional support that the Company wants to use is an unacceptable claim. Such a determination would prevent the Company from marketing particular products or using certain statements of nutritional support on its products. The Company also may be unable to disseminate third-party literature that supports its products if the third-party literature fails to satisfy certain requirements. In addition, government authorities could require the Company to remove a particular product from the market. Any recall or removal would result in additional costs to the Company, including lost revenues from any products that it is required to remove from the market, any of which could be material. Any such product recalls or removals could lead to liability, substantial costs and reduced growth prospects, all of which could be material.

Limited Market for Securities

The common shares are listed on the CSE, however, there can be no assurance that a continued active and liquid market for the common shares will be maintained.

No Operating History

The Company is an early-stage enterprise and subject to many of the risks common to early-stage enterprises, including under-capitalization, cash shortages, limitations with respect to personnel, financial, and other resources and lack of revenues. The Company has no history in the psilocybin mushroom cultivation industry before May 2020 and no history of operations or earnings, save for the earnings derived from the sale of the GOODMIND™ products.

The Company is therefore subject to many of the risks common to entering a new area of investment, including under-capitalization, limitations with respect to personnel, financial, and other resources and lack of revenues. There is no assurance that the Company will be successful in achieving a return on its investment and the likelihood of success must be considered in light of the Company's lack of experience in this industry.

Because the Company has limited operating history in an emerging area of business, readers should consider and evaluate its operating prospects in light of the risks and uncertainties frequently encountered by early-stage companies in rapidly evolving markets.

These risks may include:

- risks that it may not have sufficient capital to achieve its growth strategy;

- risks that it may not develop its product and service offerings in a manner that enables it to be profitable and meet its customers' requirements;
- risks that its growth strategy may not be successful;
- risks that fluctuations in its operating results will be significant relative to its revenues; and
- risks relating to an evolving regulatory regime.

The Company's growth will depend substantially on its ability to address these, and the other risks described in this section. If it does not successfully address these risks, its business may be significantly harmed.

Consequences of Violations of Laws and Regulations

In Canada, certain active ingredients such as psilocybin are classified as controlled substances and are listed on Schedule III of the CDSA. As such, possession and use of these substances is prohibited unless approved. The governmental authorities in Canada may allow for exemptions to parties to allow possession of controlled substances for scientific purposes or on compassionate grounds in the case of end-of-life treatment. Further, a dealer's license can be obtained under the Food and Drugs Regulations allowing for the transport, manufacturing, processing and sale of products containing a controlled substance like psilocybin in certain circumstances. Programs relating to controlled substances are strict and penalties for contravention of these laws could result in significant fines, penalties, administrative sanctions, convictions or settlements arising from civil proceedings initiated by either government entities in the jurisdictions in which the Company may in the future operate, or private citizens or criminal charges. The Company's current plans with respect to psilocybin are limited to conducting scientific research and development in compliance with applicable laws in the jurisdictions in which the Company is conducting business. Currently, the Company has no plans to sell psilocybin mushroom products in Canada, however, it is exploring the potential to conduct research with respect to psilocybin in Canada with a duly licenced partner, subject to approvals by all applicable regulatory agencies. There is no guarantee that the Company would be able to obtain an exemption under the CDSA or a dealer's licence under the Food and Drugs Regulation, which would prevent the Company from being able to handle or research those substances in Canada without collaborating with a licensed partner. The Company will apply for an exemption under the CDSA or a dealer's licence under the Food and Drugs Regulation if the Company decides to offer its psilocybin products or conduct research in Canada. The Company does not intend to apply for the aforementioned within the next 12 months. During this process, the Company will seek advice from experts in Canadian food and drugs regulation.

The Company's actual financial position and results of operations may differ materially from the expectations of the Company's management

The Company's actual financial position and results of operations may differ materially from management's expectations. As a result, the Company's revenue, net income and cash flow may differ materially from the Company's internally projected revenue, net income and cash flow. The process for estimating the Company's revenue, net income and cash flow requires the use of judgement in determining the appropriate assumptions and estimates. These estimates and assumptions may be revised as additional information becomes available and as additional analyses are performed. In addition, the assumptions used in planning may not prove to be accurate, and other factors may affect the Company's financial condition or results of operations.

The Company may become subject to litigation

The Company's participation in the medical-grade psilocybin mushroom industry and nutraceuticals market may lead to litigation, formal or informal complaints, enforcement actions and inquiries by third parties, other companies or various governmental authorities against the Company. Litigation, complaints and enforcement actions involving the Company could consume considerable amounts of

financial and other corporate resources, which could have an adverse effect on the Company's future cash flows, earnings, results of operations and financial condition.

The Company may be forced to litigate to defend its intellectual property rights, or to defend against claims by third-parties against the Company relating to intellectual property rights

The Company may be forced to litigate to enforce or defend future intellectual property rights, to protect its trade secrets or to determine the validity and scope of other parties' proprietary rights. Any such litigation could be very costly and could distract its management from focusing on operating the Company's business. The existence or outcome of any such litigation could harm the Company's business. Further, because the content of much of the Company's intellectual property concerns medical-grade psilocybin mushroom and other activities that are not legal in some state jurisdictions or under federal law, the Company may face additional difficulties in defending its intellectual property rights.

Insurance Coverage

The Company's business is subject to a number of risks and hazards generally, including adverse environmental conditions, accidents, product liability and changes in the regulatory environment. Such occurrences could result in damage to assets, personal injury or death, environmental damage, delays in operations, monetary losses and possible legal liability. Although the Company maintains insurance to protect against certain risks in such amounts as it considers to be reasonable, its insurance does not cover all the potential risks associated with its operations. The Company may also be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. Moreover, insurance against risks such as environmental pollution or other hazards encountered in the operations of the Company is not generally available on acceptable terms. The Company might also become subject to liability for pollution or other hazards which may not be insured against or which the Company may elect not to insure against because of premium costs or other reasons. Losses from these events may cause the Company to incur significant costs that could have a material adverse effect upon its financial performance and results of operations.

Ability to establish and maintain bank accounts

While the Company does not anticipate dealing with banking restrictions, there is a risk that banking institutions in countries where the Company operates will not accept payments related to the psilocybin mushroom industry. Such risks could increase costs for the Company. The Company's inability to manage such risks may adversely affect the Company's operations and financial performance.

Product Liability

The Company intends to sell and distribute products designed to be ingested by humans and will therefore face a risk of exposure to product liability claims, regulatory action and litigation if its products are alleged to have caused bodily harm or injury. In addition, the sale of consumable products involve the risk of injury to consumers due to tampering by unauthorized third parties or product contamination. Section 61 of the South African Consumer Protection Act, No. 68 of 2006 ("CPA") establishes strict liability within the context of defective products distributed in South Africa. A producer, importer, distributor or retailer of any goods must comply with the CPA and can be liable for any harm, irrespective of whether the harm resulted from negligence, meaning that a producer or importer, distributor or retailer of any goods are liable for defective or hazardous products.

Adverse reactions resulting from human consumption of medical-grade psilocybin mushroom products alone or in combination with other medications or substances could occur. The Company could therefore be subject to various product liability claims, including, among others, that its products caused injury or illness, include inadequate instructions for use or include inadequate warnings concerning health risks, possible side effects or interactions with other substances. A product liability claim or

regulatory action against the Company could result in increased costs, could adversely affect the Company and could have a material adverse effect on its results of operations and financial conditions.

If the Company is unable to attract and retain key personnel, it may not be able to compete effectively

The Company will depend upon its ability to attract and retain key management, including the Company's directors, officers and technical experts. The Company will attempt to enhance its management and technical expertise by continuing to recruit qualified individuals who possess desired skills and experience in certain targeted areas. The Company's inability to retain employees and attract and retain sufficient additional employees or engineering and technical support resources could have a material adverse effect on the Company's business, results of operations, sales, cash flow or financial condition. Shortages in qualified personnel or the loss of key personnel could adversely affect the financial condition of the Company or results of operations of the business and could limit the Company's ability to develop and market its medical-grade psilocybin mushroom products. The loss of any of the Company's senior management or key employees could materially adversely affect the Company's ability to execute the Company's business plan and strategy, and the Company may not be able to find adequate replacements on a timely basis, or at all. The Company does not maintain key person life insurance policies on any of the Company's employees.

The size of the Company's target market is difficult to quantify

As the psilocybin mushroom industry is in an early stage with uncertain boundaries, there is a lack of information about comparable companies available and, few, if any, established companies whose business model the Company can follow or upon whose success the Company can build. There can be no assurance that the market size is sufficiently large for its business to grow as projected, which may negatively impact its financial results. The Company regularly follows market research.

Reliance on Limited Jurisdictions

To date, the Company's active investments and resources have been primarily focused in Southern Africa and the UK (for research and development) and Australia (for clinical trials). The Company expects to continue the focus on expansion opportunities into other jurisdictions including Canada, the USA and the rest of Europe. Adverse changes or developments within Southern Africa, the UK or Australia could have a material and adverse effect on the Company's ability to continue its business, business interests, financial condition and prospects. Additionally, any material or adverse change in jurisdictions in which the Company will do business may affect the Company's ability to continue sales and distribution efforts linked to medical-grade psilocybin mushroom products, its business, financial condition and prospects.

No guarantee on the use of available funds by the Company

The Company cannot specify with certainty the particular uses of its available funds. Management has broad discretion in the application of its available funds. Accordingly, shareholders will have to rely upon the judgment of management with respect to the use of available funds, with only limited information concerning management's specific intentions. The Company's management may spend a portion or all of the available funds in ways that the Company's shareholders might not desire, that might not yield a favourable return and that might not increase the value of a shareholder's investment. The failure by management to apply these funds effectively could harm the Company's business. Pending use of such funds, the Company might invest available funds in a manner that does not produce income or that loses value.

Management of Growth

The Company may be subject to growth-related risks, including capacity constraints and pressure on its internal systems and controls. The ability of the Company to manage growth effectively will require

it to continue to implement and improve its operational and financial systems and to expand, train and manage its employee base. The inability of the Company to deal with this growth may have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

Inability to protect Intellectual Property

The Company expects to rely upon intangible and intellectual property such as copyrights, trade secrets, unpatented proprietary know-how and continuing innovation to protect the development of its business. There can be no assurances that the steps taken by the Company to protect its intangible property and intellectual property will be adequate. To the extent that this property is infringed on, revenue could be negatively affected, and the Company may have to litigate to enforce its intangible property rights, which could result in substantial costs and divert management's attention and other resources.

Material Contracts

The following are the material contracts, other than contracts in the ordinary course of business, and material contracts in the ordinary course of business required to be listed, that were entered into by the Company in the current financial period or prior to this period and are still in effect as of the date of this MD&A:

- The escrow agreement dated January 20, 2021 whereby securities of the Company are held in escrow by Odyssey Trust Company, as escrow agent and depository;
- Sub-lease Agreement between Mind Health Lesotho and Highlands Pure Lesotho (then Canopy Growth Lesotho (Pty) Ltd) dated June 1, 2020;
- Loan Agreement between PBC and Mind Health Lesotho dated July 11, 2020;
- Mind Health Lesotho Permit;
- ISO 22000:2018 certification issued by the BSI;
- Company's new stock option plan, confirmed for adoption at the 2021 AGM;
- Amendments to the Company's existing restricted share unit plan approved at the 2021 AGM, as further amended by the Board on February 16, 2022;
- The Business Combination Agreement (as amended) concluded with the Company, PBC and Newcourt in respect of the proposed business combination between the parties;
- Amending Agreement to the Business Combination Agreement concluded February 2023;
- The Amended and Restated Business Combination Agreement concluded on July 31, 2023;
- Lock-Up Agreement with PBM and certain of PBM's shareholders;
- R&D IP Agreement (now assigned to PBM);
- Commercial Term Sheet (now terminated);
- First Addendum to the R&D IP Agreement and Commercial Term Sheet
- Call Option Agreement concluded with PsyLabs; and
- First Addendum to the Call Option Agreement concluded with PsyLabs.

Copies of these material contracts are available under the Company's SEDAR profile at www.sedar.com

Additional Information

All additional information relating to the Company is available on SEDAR at www.sedar.com

SCHEDULE B
THE TARGET'S FINANCIAL STATEMENTS AND MD&A
(see attached)

GOLDCOAST RESOURCE CORP.
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2026 AND
THE PERIOD ENDED
MARCH 31, 2025
(EXPRESSED IN CANADIAN DOLLARS)

Independent Auditor's Report

To the Shareholders of Goldcoast Resource Corp.

Opinion

We have audited the consolidated financial statements of **Goldcoast Resource Corp.** and its subsidiary ("the Group"), which comprise the consolidated statements of financial position as at March 31, 2026 and March 31, 2025 and the consolidated statements of loss and comprehensive loss, consolidated statements of changes in equity and consolidated statements of cash flows for the year ending March 31, 2026 and the period from incorporation date of March 7, 2025 to March 31, 2025, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at March 31, 2026 and March 31, 2025 and its consolidated financial performance and its consolidated cash flows for the year ended March 31, 2026 and the period from incorporation date of March 7, 2025 to March 31, 2025 in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audits of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 2 in the consolidated financial statements, which indicates that the business of mineral exploration and development requires financing to support future operating activities, and the Group will require additional financing in order to conduct its planned work programs and discharge its liabilities as they become due. As stated in Note 2, these conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

Management is responsible for other information. Other information comprises the information included in Management's Discussion and Analysis for the year ended March 31, 2026 to be filed with the relevant Canadian Securities Commissions. Our opinion on the consolidated financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon. In connection with our audits of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditors' report. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards as issued by the IASB and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Independent Auditor's Report

To the Shareholders of Goldcoast Resource Corp. (Continued)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As a part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as a fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The engagement partner on the audit resulting in this independent auditor's report is Wayne O'Connell.

Jones & O'Connell LLP

Jones & O'Connell LLP
Chartered Professional Accountants
Licensed Public Accountants
St. Catharines, Ontario
June 30, 2026

GOLDCOAST RESOURCE CORP.

Consolidated Statements of Financial Position

As at March 31, 2026 and 2025

(Expressed in Canadian dollars)

	Notes	March 31, 2026 \$	March 31, 2025 \$
Assets			
Current assets			
Cash and cash equivalent		7,175,026	17
HST receivable		128,521	-
Prepaid expenses		168,849	-
Total current assets		7,472,396	17
Equipment			
Equipment	5	260,494	-
Deposit on equipment		156,216	-
Right of use asset	6	49,893	-
Total assets		7,938,999	17
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		180,712	-
Lease liability	6	23,688	-
Convertible loan	3	369,765	-
Total current liabilities		574,165	-
Lease liability			
Lease liability	6	15,390	-
Warrants to be issued	7	74,642	-
Total liabilities		664,197	-
Equity			
Common shares	7	9,430,654	17
Warrants	7	466,571	-
Reserves	7	752,960	-
Deficit		(3,307,821)	-
Accumulated other comprehensive loss		(5,352)	-
Equity attributable to shareholders		7,337,012	17
Non-controlling interests		(62,210)	-
Total equity		7,274,802	17
Total liabilities and equity		7,938,999	17

Nature of business (note 1)

Going concern (Note 2)

Commitments and contingencies (Note 12)

Proposed transaction (Note 13)

Subsequent events (Note 14)

Signed: " _____ ", Director

Signed: " _____ ", Director

The accompanying notes to the consolidated financial statements are an integral part of these statements.

Approved on behalf of the Board:

(Signed) " Tom Griffis " _____ Director (Signed) " Michael Nikiforuk " _____ Director

GOLDCOAST RESOURCE CORP.

Consolidated Statements of Loss and Comprehensive Loss

For the year ended March 31, 2026 and the period ended March 31, 2025

(Expressed in Canadian dollars)

	Notes	12 months ended March 31, 2026	From March 7, 2025 to March 31, 2025
		\$	\$
Expenses			
Amortization		11,434	-
Consulting fees	8	954,004	-
Exploration expenses	4, 8	1,258,966	-
General and administrative expenses		83,163	-
Professional fees		309,172	-
Stock compensation expense	7(c), 8	752,960	-
Loss before other expense		(3,369,699)	-
Foreign exchange gain		18,324	-
Interest income		3,964	-
Interest expenses		(22,620)	-
Net loss		(3,370,031)	-
Other comprehensive loss			
Loss on translation of foreign currency		(5,352)	-
Total comprehensive loss		(3,375,383)	-
Net loss contributed to			
Non-controlling interests		(62,210)	-
Shareholders of the Company		(3,307,821)	-
		(3,370,031)	-
Net loss per share, basic and diluted		(0.07)	-
Weighted average number of shares outstanding			
Basic and diluted		50,649,414	47,060,869

The accompanying notes to the consolidated financial statements are an integral part of these statements.

GOLDCOAST RESOURCE CORP.

Consolidated Statements of Changes in Equity

(Expressed in Canadian dollars, except shares)

	Notes	Common shares number	Common shares amount	Warrants	Reserves	Deficit	Accumulated other comprehensive Income (loss)	Equity attributable to shareholders	Non-controlling interests	Total
				\$	\$	\$	\$	\$	\$	\$
Balance at incorporation		-	-	-	-	-	-	-	-	-
Net loss		-	-	-	-	-	-	-	-	-
Shares issued for cash	7	47,060,869	17	-	-	-	-	17	-	17
Balance at March 31, 2025		47,060,869	17	-	-	-	-	17	-	17
Shares issued for cash	7	16,171,698	10,643,946	36,212	-	-	-	10,680,158	-	10,680,158
Share issue costs			(1,213,309)	430,359	-	-	-	(782,950)	-	(782,950)
Share base compensation	7				752,960	-	-	752,960	-	752,960
Comprehensive loss					-	(3,307,821)	-	(3,307,821)	(62,210)	(3,370,031)
Translation of foreign operations		-		-	-	-	(5,352)	(5,352)	-	(5,352)
Balance at March 31, 2026		63,232,567	9,430,654	466,571	752,960	(3,307,821)	(5,352)	7,337,012	(62,210)	7,274,802

The accompanying notes to the consolidated financial statements are an integral part of these statements.

GOLDCOAST RESOURCE CORP.

Consolidated Statements of Cash Flows

For the year ended March 31, 2026 and the period ended March 31, 2025

(Expressed in Canadian dollars)

	Notes	12 months ended March 31, 2026 \$	From March 7, 2025 to March 31, 2025 \$
Operating activities			
Net loss		(3,370,031)	-
Items not involving cash			
Stock compensation		752,960	-
Amortization		11,434	-
Accrued interest expense		22,620	-
		(2,583,017)	-
Change in working capital			
HST receivable		(128,521)	-
Prepaid expenses		(168,849)	-
Accounts payable and accrued liabilities		180,712	-
Net cash used in operating activities		(2,699,675)	-
Investing activities			
Acquisition of furniture and equipment		(261,788)	-
Deposit on equipment		(156,216)	-
Net cash used in investing activities		(418,004)	-
Financing activities			
Proceeds from loan payable		348,656	-
Shares issued for cash, net of costs		9,971,850	17
Payments of lease liability		(22,466)	-
Cash provided by financing activities		10,298,040	17
Effect of exchange rate changes		(5,352)	-
Net change in cash		7,175,009	17
Cash, beginning of year		17	-
Cash, end of year		7,175,026	17

The accompanying notes to the consolidated financial statements are an integral part of these statements.

GOLDCOAST RESOURCE CORP.

Notes to Consolidated Financial Statements

For the year ended March 31, 2026 and the period ended March 31, 2025

(Expressed in Canadian dollars)

1. Nature of business

GOLDCOAST RESOURCE CORP. (the "Company") is a company incorporated under the provisions of Business Corporations Act of Ontario on March 7, 2025. Its registered and head office is located at 100 King Street West, Suite 5600, Toronto, Ontario, M5X 1C9, Canada.

The business of the Company will be mainly in environmentally responsible shallow-water mineral exploration of the south coast of Ghana in the Atlantic Ocean.

See Note 13 for a proposed transaction.

2. Material accounting policy information

The policies applied in these consolidated financial statements are based on IFRSs issued and outstanding as of March 31, 2026. These consolidated financial statements were approved by the Board of Directors on June 30, 2026.

Basis of presentation and going concern

These consolidated financial statements have been prepared on a historical cost basis. The Company's functional currency is Canadian dollars, and its 90% owned subsidiary GoldCoast GRC Ghana Ltd.'s functional currency is United States dollars. The consolidated financial statements are presented in Canadian dollars.

These consolidated financial statements have been prepared in accordance with IFRS® Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretation made by the International Financial Reporting Standards Interpretation Committee ("IFRIC").

The business of mineral exploration and development requires financing to support future operating activities and the Company will require additional financing in order to conduct its planned work programs and discharge its liabilities as they become due. Accordingly, a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. These consolidated financial statements do not include the adjustments that would be necessary should the Company be unable to continue as a going concern. Such adjustments could be material. These consolidated financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business.

Although the Company has taken steps to verify title to its properties, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to government licensing requirements or regulations, social licensing requirements, unregistered prior agreements, unregistered claims, aboriginal claims, and noncompliance with regulatory and environmental requirements. The properties may also be subject to increases in taxes and royalties, renegotiation of contracts, expropriation of properties, and political uncertainty.

It has not yet been determined whether the properties contain mineral reserves that are economically recoverable. The continued operations of the properties are dependent upon the existence of economically recoverable reserves, the ability of the properties to obtain the necessary financing to complete the exploration and development of such properties and upon future profitable production or proceeds from the disposition of the properties.

GOLDCOAST RESOURCE CORP.

Notes to Consolidated Financial Statements

For the year ended March 31, 2026 and the period ended March 31, 2025

(Expressed in Canadian dollars)

2. Material accounting policy information (continued)

Basis of Consolidation:

The consolidated financial statements include the accounts of the Company and 90% owned subsidiary GoldCoast GRC Ghana Ltd. ("GRC Ghana").

Subsidiaries are entities over which the Company has control, where control is determined based on whether the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The effects of potential voting rights that are currently exercisable are considered when assessing whether control exists. Subsidiaries are fully consolidated when control is transferred to the Company, and become unconsolidated when control ceases.

Intercompany transactions and balances between subsidiaries are eliminated upon consolidation.

Cash

Cash in the statements of financial position includes funds held with financial institutions and cash held in trust which are subject to an insignificant risk of changes in value.

Equipment

Equipment includes automobiles and office equipment. Equipment is carried at cost, less accumulated depreciation and accumulated impairment losses. Costs comprise the fair value of consideration given to acquire or construct an asset. These costs include the direct charges associated with bringing the asset to the location and condition necessary for it to be capable of operating along with the future cost of dismantling and removing the asset.

When parts of an item of equipment have different useful lives, they are accounted for as separate items (major components) of equipment. Depreciation of these assets commences when the assets are ready for their intended use. Depreciation of equipment is the costs of the assets less their residual values over their estimated useful lives using the straight-line method. The estimated useful lives, residual values and amortization method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis. Depreciation is recorded as follows:

Office equipment	Straight line over 5 years
Automobile	Straight line over 5 years

Financial instruments

Financial assets

Initial recognition and measurement

Non-derivative financial assets within the scope of IFRS 9 are classified and measured as "financial assets at fair value", as either fair value through profit or loss ("FVPL") or fair value through other comprehensive income ("FVOCI"), and "financial assets at amortized costs", as appropriate. The Company determines the classification of financial assets at the time of initial recognition based on the Company's business model and the contractual terms of the cash flows.

All financial assets are recognized initially at fair value plus, in the case of financial assets not at FVPL, directly attributable transaction costs on the trade date at which the Company becomes a party to the contractual provisions of the instrument. Financial assets with embedded derivatives are considered in their entirety when determining their classification at FVPL or at amortized cost.

GOLDCOAST RESOURCE CORP.

Notes to Consolidated Financial Statements

For the year ended March 31, 2026 and the period ended March 31, 2025

(Expressed in Canadian dollars)

2. Material accounting policy information (continued)

Subsequent measurement – financial assets at amortized cost

After initial recognition, financial assets measured at amortized cost are subsequently measured at the end of each reporting period at amortized cost using the Effective Interest Rate (“EIR”) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR. Cash is recorded at amortized costs.

Subsequent measurement – financial assets at FVPL

Financial assets measured at FVPL include financial assets management intends to sell in the short term and any derivative financial instrument that is not designated as a hedging instrument in a hedge relationship. Financial assets measured at FVPL are carried at fair value in the statements of financial position with changes in fair value recognized in other income or expense in the consolidated statements of loss. The Company does not measure any financial instruments at FVPL.

Subsequent measurement – financial assets at FVOCI

Financial assets measured at FVOCI are non-derivative financial assets that are not held for trading and the Company has made an irrevocable election at the time of initial recognition to measure the assets at FVOCI. The Company does not measure any financial assets at FVOCI.

After initial measurement, investments measured at FVOCI are subsequently measured at fair value with unrealized gains or losses recognized in other comprehensive income or loss in the statements of comprehensive loss. When the investment is sold, the cumulative gain or loss remains in accumulated other comprehensive income or loss and is not reclassified to profit or loss.

Dividends from such investments are recognized in other income in the statements of loss when the right to receive payments is established.

Financial instruments (continued)

Derecognition

A financial asset is derecognized when the contractual rights to the cash flows from the asset expire, or the Company no longer retains substantially all the risks and rewards of ownership.

Impairment of financial assets

There are currently no financial assets subject to impairment. The Company has elected to apply the simplified approach to impairment as permitted by IFRS 9, which requires the expected lifetime loss to be recognized at the time of initial recognition of accounts receivable. To measure estimated credit losses, accounts receivable have been grouped based on shared credit risk characteristics, including the number of days past due. An impairment loss is reversed in subsequent periods if the amount of the expected loss decreases and the decrease can be objectively related to an event occurring after the initial impairment was recognized.

GOLDCOAST RESOURCE CORP.

Notes to Consolidated Financial Statements

For the year ended March 31, 2026 and the period ended March 31, 2025

(Expressed in Canadian dollars)

2. Material accounting policy information (continued)

Financial liabilities

Initial recognition and measurement

Financial liabilities are measured at amortized cost, unless they are required to be measured at FVPL as is the case for held for trading or derivative instruments, or the Company has opted to measure the financial liability at FVPL. All financial liabilities are recognized initially at fair value.

Subsequent measurement – financial liabilities at amortized cost

After initial recognition, financial liabilities measured at amortized cost are subsequently measured at the end of each reporting period at amortized cost using the EIR method. Amortized cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR. Accounts payable and accrued liabilities and convertible loan are classified under this category.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expires with any associated gain or loss recognized in other income or expense in the statements of loss.

Share-based payments

Share-based payments to employees and others providing similar services are measured at the grant date fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of the goods or services received or the fair value of the equity instruments issued if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The amount recognized as an expense is adjusted to reflect the number of options expected to vest. The offset to the recorded cost is to reserves. The number of options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount ultimately recognized as an expense is based on the number of options that eventually vest. Consideration received on the exercise of stock options is recorded as share capital and the related reserves are transferred to share capital.

The fair value of the stock options is determined using the Black-Scholes option pricing model. Measurement inputs include share price on measurement date, exercise price of the instrument, expected volatility (based on weighted average historic volatility), weighted average expected life of the instruments (based on historical experience), expected dividends, expected forfeitures, and the risk-free interest rate (based on government bonds).

Share capital

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares, stock options and common share purchase warrants are classified as equity instruments. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. On unit offerings of common shares and warrants the market price of the common share is recorded to share capital and the residual value to the warrants.

GOLDCOAST RESOURCE CORP.

Notes to Consolidated Financial Statements

For the year ended March 31, 2026 and the period ended March 31, 2025

(Expressed in Canadian dollars)

2. Material accounting policy information (continued)

IFRS 16 — Leases

At the inception of a contract, the Company assesses whether the contract is, or contains, a lease that conveys to the Company the right to control the use of an underlying asset in return for payment. If the contract meets the definition of a lease, the lease liability is recognized in an amount equal to the present value of the unpaid lease payments discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the lessee's incremental borrowing rate is used. Lease payments include: (i) all fixed payments; (ii) variable payments that depend on an index or rate; and (iii) any purchase option or termination penalty reasonably certain to be incurred. A lease ROU asset is recognized in an amount equal to the lease liability less any lease incentives received and plus: (i) any payments made prior to the start of the lease; (ii) any initial direct costs incurred; and (iii) an estimate of the cost to restore the asset as required by the lease contract. The Company remeasures the lease liability in response to changes in future lease payments, such as consumer price index (CPI) escalations or changes in lease term, adjusting the lease asset by an equivalent amount. Depreciation starts at the commencement date of the lease.

The Company applies the cost model to subsequently measure lease ROU assets and applies same impairment policy as other property and equipment. Lease ROU assets are depreciated over the period of the lease term.

See note 6 for leases that the Company entered into.

Fair value hierarchy

The Company classifies its financial instruments measured at fair value according to a three-level hierarchy that reflects the significance of the inputs used in making the fair value measurements. The three levels of fair value hierarchy are as follows:

- Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 - Inputs other than quoted prices that are observable for assets or liabilities, either directly or indirectly;
- Level 3 - Inputs for assets or liabilities that are not based on observable market data.

Foreign currency translation

The consolidated financial statements of the Company have been presented in the Canadian dollar, the presentation currency.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities not denominated in the functional currency of an entity are recognized in the consolidated statement of loss and comprehensive loss.

Assets and liabilities of entities with functional currencies other than Canadian dollars are translated into the presentation currency at the rates of exchange at the end of the financial reporting period, and the results of their operations are translated at average rates of exchange for the respective period. The resulting translation adjustments are included in accumulated other comprehensive income in shareholders' equity. Elements of equity are translated at historical rates. Foreign exchange gains and losses related to certain intercompany loans that are not expected to be repaid in the foreseeable future are included in accumulated other comprehensive income. Elements of equity are translated at historical rates.

GOLDCOAST RESOURCE CORP.

Notes to Consolidated Financial Statements

For the year ended March 31, 2026 and the period ended March 31, 2025

(Expressed in Canadian dollars)

2. Material accounting policy information (continued)

Mineral exploration properties and exploration expenditures

The Company expenses exploration and evaluation expenditures as incurred. Exploration and evaluation expenditures include acquisition costs of mineral properties, property option payments and evaluation activities.

Once a project has been established as commercially viable and technically feasible, related development expenditure will be capitalized. This includes costs incurred in preparing the site for mining operations. Capitalization ceases when the mine is capable of commercial production, with the exception of development costs that give rise to a future benefit. If an exploration property is disposed of any, consideration is reflected as a gain on disposition.

Impairment of non-financial assets

Non-financial assets, including E&E assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount, which is the higher of value in use and fair value less costs to sell, the asset is written down accordingly.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the asset's cash-generating unit ("CGU"). An asset's CGU is the lowest group of assets in which the asset belongs for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets. The Company has determined its CGUs on an area-by-area basis.

An impairment loss is charged to profit or loss.

Loan payable

Loan payables is recognized initially at fair value, net of transaction costs incurred. Loan is classified as a current liability unless the Company has an unconditional right to defer settlement for at least 12 months after the statement of financial position date. Subsequent to the initial measurement, debt will be accreted up to its face value over the duration of the debt.

Loss per share

The calculation of basic income or loss per share is based on income or loss for the period divided by the weighted average number of common shares outstanding for the period. Diluted income or loss per share is equal to basic income per share as the effect of potentially dilutive options and warrants is anti-dilutive.

GOLDCOAST RESOURCE CORP.

Notes to Consolidated Financial Statements

For the year ended March 31, 2026 and the period ended March 31, 2025

(Expressed in Canadian dollars)

2. Material accounting policy information (continued)

Income taxes

Income taxes on the profit or loss for the periods presented comprises current and deferred tax.

Current tax expense is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at the end of the reporting period, adjusted for amendments to tax payable with regards to previous reporting periods.

Deferred tax is recorded using the asset and liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities in a transaction that affect neither accounting or taxable loss and does not give rise to equal taxable and deductible temporary differences. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset tax assets against tax liabilities, when they relate to income taxes levied by the same taxation authority and the Company intends to settle its tax assets and liabilities on a net basis.

Significant accounting estimates and judgments

The preparation of these consolidated financial statements requires management to make judgments and estimates that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these judgments and estimates. The consolidated financial statements include judgments and estimates which, by their nature, are uncertain. The impacts of such judgments and estimates are pervasive throughout the consolidated financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in future periods when the revision affects both current and future periods.

Going concern

The Company applies judgment in assessing whether material uncertainties exist that would cause doubt as to whether the Company could continue as a going concern.

Judgments

Management uses judgment in determining whether or not there are indicators of impairment for its CGUs. The results of management's assessment could result in an impairment test not being performed when indicators did in fact exist, which could impact the valuation of the CGUs' carrying values. Management uses judgment in determining what constitutes a CGU.

GOLDCOAST RESOURCE CORP.

Notes to Consolidated Financial Statements

For the year ended March 31, 2026 and the period ended March 31, 2025

(Expressed in Canadian dollars)

2. Material accounting policy information (continued)

Income, value added, withholding and other taxes

The Company is subject to income, value added, withholding and other taxes. Significant judgment is required in determining the Company's provisions for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The determination of the Company's income, value added, withholding and other tax liabilities requires interpretation of complex laws and regulations. The Company's interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. All tax related filings are subject to government audit and potential reassessment subsequent to the financial statement reporting period. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax related accruals and deferred income tax provisions in the period in which such determination is made.

Decommissioning, restoration and similar liabilities

Decommissioning, restoration and similar liabilities are estimated based on the Company's interpretation of current regulatory requirements, constructive obligations and are measured at fair value. Fair value is determined based on the net present value of estimated future cash expenditures for the settlement of decommissioning, restoration or similar liabilities that may occur upon decommissioning of the mine. Such estimates are subject to change based on changes in laws and regulations and negotiations with regulatory authorities.

Share-based payment transactions

Estimates

The Company measures the cost of equity-settled transactions with directors, officers and consultants by reference to the fair value of the equity instruments at the date at which they are granted.

Estimating fair value for share-based payment transactions requires management's judgment in determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This valuation requires the determination of the most appropriate inputs including the expected life of the share option (based on historical times between vesting date and exercise date) and share price volatility (based on historical share price volatility). In addition, the amount recognized is based on the number of equity instruments expected to ultimately vest, which relies on estimates of forfeiture rates which is based on historical evidence of forfeitures. History may not always be indicative of the future and as a result, the value determined has significant estimation uncertainty. The same estimates are required for transactions with non-employees where the fair value of the goods or services received cannot be reliably determined.

Recent accounting pronouncements

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing on or after January 1, 2025. Many are not applicable or do not have a significant impact to the Company and have been excluded. The Company is currently evaluating the impact of these new pronouncements.

IFRS 18 Presentation and Disclosure in Financial Statements, which replaces IAS 1 Presentation of Financial Statements, takes effect for reporting period starting from January 1, 2027. IFRS 18 introduces new requirements for the structure of the statement of profit or loss, enhanced aggregation and disaggregation principles, and mandatory disclosures for management-defined performance measures (MPMs). The standard also includes consequential amendments to IAS 7, IAS 33, and IAS 34. The Company does not expect any significant impact on adoption of the IFRS 18 and elects not to adopt it early.

GOLDCOAST RESOURCE CORP.

Notes to Consolidated Financial Statements

For the year ended March 31, 2026 and the period ended March 31, 2025

(Expressed in Canadian dollars)

3. Convertible loan

Pursuant to the LOI signed with Psyence Group (Note 13), on August 20, 2025 Psyence advanced a secured loan of \$348,656 (US\$250,000) to the Company bearing interest at 10% per annum, maturing on the earlier of the closing of the Acquisition and December 31, 2025 (which was amended by an Amending Agreement to extend to March 31, 2026, then to May 31, 2026, and another Amending Agreement further to June 30, 2026), and secured against all assets of the Company. Interest is calculated and accrued monthly. The Outstanding Amount, being the aggregate indebtedness, actual and contingent, of the Company to the lender in terms of and arising from this loan, shall be deemed satisfied and extinguished in full by converting into shares of the Company at a price same as the final private placement funding price, and shall no longer be payable by the Company to the lender if the Acquisition closes.

In the event that the Acquisition does not close by the earlier of (i) the closing date contemplated in the Definitive Agreement or (ii) June 30, 2026, the Outstanding Amount plus accrued interest shall be due and payable within 21 days of demand by the Lender for payment of the Outstanding Amount (the "Due Date"). If the Company fails to pay the Outstanding Amount plus accrued interest by the Due Date, the Lender shall have the right, in its sole discretion, to convert the Outstanding Amount and any accrued interest into that number of common shares of the Company calculated at a price per share equal to the price of the last equity financing completed by the Company prior to the date of the LOI, being US\$0.1497 per share (on a post-consolidation basis). In the event the Amalgamation is completed, the principal amount of the Loan will be converting into shares of the Company and the Consolidation Ratio will be adjusted accordingly.

On the start of the loan, the Company allocated (US\$250,000) to the fair value of the loan, and the residual \$nil to the conversion rights. As of March 31, 2026, the Outstanding Amount being principal and interests payable was \$369,765 (US\$265,274). \$21,109 (US\$15,274) interest was accrued for the year ended March 31, 2026. See Note 14.

4. Ghana mineral property

On August 20, 2025, the Company ("Assignee") has signed an Intellectual Property Assignment Agreement with Poseidon Offshore Minerals Inc., a corporation incorporated under the laws of Ontario, and Tom Griffis a director of the Company, and Bob Griffis an individual who is a key management person and is related to Tom Griffis (collectively the "Assignors"), for cash consideration of \$138,200 (US\$100,000). The Assignors are the legal and/or beneficial owners, or have direct or indirect control, of all intellectual property, data, and related materials ("Assigned Property") and future intellectual property connected to the business of offshore Ghana exploration including Poseidon Offshore Minerals Ltd. Ghana Offshore Mineral Sand Exploration Project 2017, prepared for Poseidon Offshore Minerals Inc. and authored by Torkornoo & Associates Ltd., August 2017, including all drafts, appendices, and annexes ("NI 43-101 Technical Report"). The parties have agreed that the Assignors will transfer, convey, and assign to the Assignee all rights, title, and interests in and to the Assigned Property. This intellectual property constitutes expenditures related to exploration and evaluation and thus has been expensed in accordance with the Company's accounting policy for such expenditures.

The Company has made an application to the Minerals Commission of Ghana for a reconnaissance licence in accordance with Section 31 of the Minerals and Mining Act, 2006 (Act 703) to conduct reconnaissance activities over a 10,000 km² area at half Assini in Western Ghana and eastward to Winneba, Ghana measuring 300 km off the coastline of Ghana.

In February 2026, the Company's Ghana subsidiary GoldCoast GRC Ghana Ltd. has obtained reconnaissance licenses for its Ghana mineral property. These licenses are for 12 months and may be renewed in accordance with Ghanaian regulation.

As of March 31, 2026, the Company has incurred a total exploration expenses of \$1,258,966 on the property.

GOLDCOAST RESOURCE CORP.

Notes to Consolidated Financial Statements

For the year ended March 31, 2026 and the period ended March 31, 2025

(Expressed in Canadian dollars)

5. Equipment

Costs	Office equipment	Automobile	Total
	\$	\$	\$
March 7, 2025	-	-	-
March 31, 2025	-	-	-
Addition	16,719	245,081	261,800
March 31, 2026	16,719	245,081	261,800

Accumulated amortization and depletion	Office equipment	Automobile	Total
	\$	\$	\$
March 7, 2025	-	-	-
March 31, 2025	-	-	-
Amortization for the year	861	445	1,306
March 31, 2026	861	445	1,306

Net book values			
March 7, 2025	-	-	-
March 31, 2025	-	-	-
March 31, 2026	15,858	244,636	260,494

6. Leases

Right-of-Use Assets

Right-of-use assets	Office premises	Apartment	Total
Balance March 7, 2025	-	-	-
Balance March 31, 2025	-	-	-
Additions	19,733	40,300	60,033
Depreciations	(7,541)	(2,599)	(10,140)
Balance March 31, 2026	12,192	37,701	49,893

GOLDCOAST RESOURCE CORP.

Notes to Consolidated Financial Statements

For the year ended March 31, 2026 and the period ended March 31, 2025

(Expressed in Canadian dollars)

6. Leases (continued)

Lease liabilities

Lease liabilities	Office premises	Apartment	Total
Balance March 7, 2025	-	-	-
Balance March 31, 2025	-	-	-
Additions	19,733	40,300	60,033
Interests	861	650	1,511
Lease payments	(7,598)	(14,868)	(22,466)
Balance March 31, 2026	12,996	26,082	39,078
Current portion	10,380	13,308	23,688
Non current portion	2,616	12,774	15,390

7. Equity

(a) Common shares

Authorized share capital

An unlimited number of common shares without par value

On October 1, 2025, the Company completed a shares consolidation to consolidate its then 131,319,298 of pre-consolidated common shares issued and outstanding into 49,999,999 post-consolidated common shares. The consolidated financial statements are presented with the shares numbers on a post-consolidated basis.

Issued

	Number of shares	Share capital
Balance, March 7, 2025	-	\$ -
Issued (i)	47,060,869	17
Balance, March 31, 2025	47,060,869	17
Issued (ii)	1,603,163	335,495
Issued (iii)	1,335,967	279,580
Issued (iv)	2,628,000	1,051,200
Issued (v)	470,588	363,788
Issued (vi)	6,853,840	5,010,113
Issued (vii)	3,280,140	2,390,461
Balance, March 31, 2026	63,232,567	\$ 9,430,654

GOLDCOAST RESOURCE CORP.

Notes to Consolidated Financial Statements

For the year ended March 31, 2026 and the period ended March 31, 2025

(Expressed in Canadian dollars)

7. Equity (continued)

(i) The Company on incorporation on March 7, 2025, issued 47,060,869 common shares to its founding shareholders for total cash consideration of \$17 (US\$12).

(ii) On June 26, 2025, the Company completed a private placement and issued 1,603,163 common shares for cash consideration of \$335,495 (US\$240,000) at a price of US\$0.1497 per share.

(iii) On September 26, 2025, the Company completed a private placement and issued 1,335,967 common shares for cash consideration of \$279,580 (US\$200,000) at a price of US\$0.1497 per share.

(iv) On October 9, 2025, the Company completed a private placement and issued 2,628,000 common shares for \$0.40 per share for cash consideration of \$1,051,200.

(v) On February 16, 2026 the Company issued 470,588 units for \$400,000. Each Unit shall consist of one common share in the capital of the Company (each, a "Common Share") and 0.2125 of a Common Share purchase warrant (each whole warrant, a "Warrant"). 99,999 warrants were issued. Each Warrant shall entitle the holder thereof to purchase one Common Share at a price of \$0.45 per Common Share until the date that is one (1) year following the Closing Date. \$363,788 of the proceed was allocated to shares, and \$36,212 to warrants. The grant date value of the 99,999 warrants is determined to be \$36,212 using a Black Scholes model with the following assumptions: 0% dividend, risk free rate of 2.28%, expected life of 1 year, stock price volatility of 218% and current share price of \$0.49. The estimated volatility is based on average volatility of a few other mineral exploration companies similar to the Company.

(vi) On March 16, 2026 the Company closed a private placement financing by issuing 6,853,840 common shares at \$0.85 per share for \$5,825,764. The Company paid 7% of cash commission of \$407,803, and agent's expenses of \$5,000 and legal expenses of \$60,298, and issued 479,768 Warrants (Compensation Options) to the brokers. Each warrant entitles the holder to purchase one common share of the Company at \$0.85 per share within 2 years from the issuance of the warrants. The 479,768 warrants was valued as \$342,550 and was recorded as share issue costs together with the \$407,803 cash commission. The grant date value of the 479,768 warrants is determined to be \$342,550 using a Black Scholes model with the following assumptions: 0% dividend, risk free rate of 2.79%, expected life of 2 years, stock price volatility of 197% and current share price of \$0.85. The estimated volatility is based on average volatility of a few other mineral exploration companies similar to the Company.

(vii) On March 20, 2026 the Company closed tranche 1 of another brokered Offering financing by issuing 3,280,140 common shares at \$0.85 per share for \$2,788,119. The Company paid \$193,338 cash commission and granted 229,221 warrants to finders (of which 121,353 warrants were granted on March 20, 2026 and 107,868 warrants granted after March 31, 2026). Each warrant entitles the holder to purchase one common share of the Company at \$0.85 per share within 2 years from the issuance of the warrants. The 121,353 warrants were valued \$87,809 and the warrants to be issued after March 31, 2026 were valued at \$74,642 and were recorded as share issue costs together with the cash commission of \$193,338. The grant date value of the 229,221 warrants is determined to be \$162,451 using a Black Scholes model with the following assumptions: 0% dividend, risk free rate of 2.83%, expected life of 2 years, stock price volatility of 194% and current share price of \$0.85. The estimated volatility is based on average volatility of a few other mineral exploration companies similar to the Company.

(viii) See Note 14.

(b) Warrants

	Number of warrants	Weighted Average Exercise Price (C\$)	Weighted average remaining contractual life (years)
Warrants			
Balance March 7, 2025	-	-	
Balance March 31, 2025	-	-	-
Issued	701,120	0.79	1.81
Balance March 31, 2026	701,120	0.79	1.81

GOLDCOAST RESOURCE CORP.

Notes to Consolidated Financial Statements

For the year ended March 31, 2026 and the period ended March 31, 2025

(Expressed in Canadian dollars)

7. Equity (continued)

The following warrants are outstanding as of March 31, 2026.

Expiry date	Number of warrantss outstanding	Exercise price	Weighted average remaining life (years)	Number of warrantss exercisable	Value at date of issuance
2028-03-16	479,768	0.85	1.96	479,768	\$ 342,550
2027-02-16	99,999	0.45	0.88	99,999	36,212
2028-03-20	121,353	0.85	1.97	121,353	\$ 87,809
Total	701,120	0.79	1.81	701,120	\$ 466,571

See Note 14(5).

(c) Reserves

GoldCoast Resource Corp. maintains a Stock Option Plan (the “Plan”) that provides for the grant of stock options to Employees, Directors, and Consultants of the Company and its Affiliates.

Under the Plan, the Board of Directors (or a designated Committee) has full authority to determine eligible participants, grant dates, vesting conditions, exercise prices, and other terms of each award.

The Plan is a rolling plan under which the total number of common shares available for issuance may not exceed 10% of the Company’s issued and outstanding common shares at any time. Additionally, No more than 10% of outstanding shares may be issued in any one-year period under all security-based compensation arrangements. No more than 4% of outstanding shares may be issued to any one participant. Insider participation is limited to 20% of outstanding shares, both annually and cumulatively, when combined with all other security-based compensation arrangements. Options that expire, are cancelled, or are forfeited before exercise are returned to the pool. Shares used to satisfy exercise prices or withholding taxes are not returned to the reserve. Exercise price: Not less than the fair market value of the Company’s common shares on the grant date, as determined by the Board. Options expire no later than 10 years from the grant date. Vesting: Determined by the Board at the time of grant and may include time-based or performance-based conditions. The Plan contains detailed provisions governing the treatment of options upon termination of employment or service (including definitions of Cause, Constructive Dismissal, Disability, and Retirement), death of a participant, leaves of absence, and Change in Control events, including acquisitions, mergers, asset sales, or board turnover

The Board has discretion to accelerate vesting or modify terms in certain circumstances, subject to participant consent where required.

On October 15, 2025, the Company issued 285,563 stock options to a service provider each stock option entitles the holder to subscribe for one common share of the Company at an exercise price of \$0.2093 (US\$0.1497) per share until October 15, 2028. 1/3 of the options vested on the date of grant; 1/3 on the date that the Company completed a private placement of at least US\$500,000; and 1/3 on the date that the Company completes a private placement of at least US\$5,000,000. The grant date value of the 285,563 options is determined to be \$106,096 using a Black Scholes model with the following assumptions: 0% dividend, risk free rate of 2.49%, expected life of 3 years, stock price volatility of 188% and current share price of \$0.40. The estimated volatility is based on average volatility of a few other mineral exploration companies similar to the Company. As at March 31, 2026 there were 285,563 options outstanding with an expiry date of October 15, 2028 of which 285,563 were exercisable, with expected remaining average life of 2.55 years. The Company recorded stock-based compensation of \$106,096 for the year ended March 31, 2026 for the options.

GOLDCOAST RESOURCE CORP.

Notes to Consolidated Financial Statements

For the year ended March 31, 2026 and the period ended March 31, 2025

(Expressed in Canadian dollars)

7. Equity (continued)

On January 22, 2026, the Company issued 3,025,000 stock options to directors, key management personnel and other service providers, each stock option entitles the holder to subscribe for one common share of the Company at an exercise price of \$0.45 per share until January 22, 2031. 1/3 of the options vested on the date of grant; 1/3 on the first anniversary of the date of grant; and 1/3 on the second anniversary of the date of grant. The grant date value of the 3,025,000 options is determined to be \$1,411,845 using a Black Scholes model with the following assumptions: 0% dividend, risk free rate of 2.95%, expected life of 5 years, stock price volatility of 173% and current share price of \$0.49. The estimated volatility is based on average volatility of a few other mineral exploration companies similar to the Company. The Company recorded stock-based compensation of \$602,142 for the year ended March 31, 2026 for the options granted January 22, 2026.

On March 13, 2026 the Company granted 150,000 stock options to a consultant, each entitles the holder to purchase one common share of the Company at \$0.45 per share until March 13, 2031. The options shall vest as to 1/3 on June 12, 2026; 1/3 on the first anniversary of the date of grant; and 1/3 on the second anniversary of the date of grant. In the event that the Company and the consultant do not enter into a consulting agreement after June 12, 2026 the options shall terminate in accordance with the Company's stock option plan. The grant date value of the 150,000 options is determined to be \$124,963 using a Black Scholes model with the following assumptions: 0% dividend, risk free rate of 3.12%, expected life of 5 years, stock price volatility of 194% and current share price of \$0.85. The estimated volatility is based on average volatility of a few other mineral exploration companies similar to the Company. The Company recorded stock-based compensation of \$44,722 for the year ended March 31, 2026 for the options granted March 13, 2026.

As at March 31, 2026 the following options were outstanding:

Expiry date	Number of options outstanding	Exercise price	Weighted average remaining life (years)	Number of options exercisable	Grant date value
2028-10-15	285,563	0.21	2.55	285,563	\$ 106,096
2031-01-22	3,025,000	0.45	4.82	1,008,333	\$ 1,411,845
2031-03-13	150,000	0.45	4.95	50,000	\$ 124,963
Total	3,460,563	0.430	4.63	1,343,897	\$ 1,642,905

GOLDCOAST RESOURCE CORP.

Notes to Consolidated Financial Statements

For the year ended March 31, 2026 and the period ended March 31, 2025

(Expressed in Canadian dollars)

8. Related party transactions

Parties are considered related if the party has the ability, either directly or indirectly, to control the other party or exercise significant influence over the other party in making operating and financial decisions. This would include the Company's and its subsidiary's senior management. Parties are also related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities. A transaction is a related party transaction when there is a transfer of resources or obligations between related parties. The following are the related party transactions during the period ended March 31, 2026. Unless otherwise stated, none of the transactions incorporated special terms and conditions. Related party transactions are measured on a fair value basis.

- (1) The common shares as disclosed in note 7(a)(i) were issued to three directors of the Company.
- (2) During the period ended March 31, 2026, the Company paid consulting fees in total of \$603,492 to directors and officers of the Company, including its CEO, CFO, director Elia Crespo, Tom Griffis, and key officer Robertt Griffis.
- (3) Of the 3,025,000 options granted on January 22, 2026, 2,075,000 options were granted to directors and key management personnels of the Company. \$413,031 stock-based expenses are recorded for related parties.
- (4) See also note 4.

GOLDCOAST RESOURCE CORP.

Notes to Consolidated Financial Statements

For the year ended March 31, 2026 and the period ended March 31, 2025

(Expressed in Canadian dollars)

9. Income taxes

The following table reconciles the expected income tax recovery at the federal and provincial statutory rate with the actual income tax recovery:

	2026	2025
Loss before taxes	3,370,031	-
Combined federal and provincial statutory income tax rate	26.5%	0.0%
Expected recovery at statutory rates	893,000	-
Add (deduct)		
Effect of different tax rates in foreign jurisdictions	54,000	-
Non-deductible expenses	(199,000)	-
Share issuance costs	38,000	-
Change in deferred tax assets unrecognized	(786,000)	-
Income tax expense	-	-
Current income tax recovery	-	-
Deferred income tax expense	-	-
	-	-
	2026	2025
Deferred Income Tax Assets		
Non-capital loss carry forward	622,000	-
Mineral properties and equipment	164,000	-
	786,000	-
Allowance	(786,000)	-
Net deferred income tax asset	-	-

The Company had non-capital loss of \$1,500,000 in Canada that expires in 2046, and \$6640,000 loss in Ghana that expires in 2031, that can be used against future income for taxes.

GOLDCOAST RESOURCE CORP.

Notes to Consolidated Financial Statements

For the year ended March 31, 2026 and the period ended March 31, 2025

(Expressed in Canadian dollars)

10. Capital risk management

The Company considers its capital structure to consist of share capital, warrants, reserves, and deficit, in total of \$7,337,012 as of March 31, 2026. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support its development and operating activities.

The Company's objective when managing capital is to safeguard its ability to continue as a going concern in order to pursue the exploration of its mineral property. The Company satisfies its capital requirements through careful management of its cash resources.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the period ended March 31, 2026.

11. Financial risk management

Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established a risk management strategy, which incorporates development and monitoring of the Company's risk management activities. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. The Company's approach to risk management is assessed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. The Company is exposed to credit risk on its cash. The Company's maximum exposure to this risk is equal to the carrying amount of these financial asset. Cash is held with a financial institution which is highly rated. The Company has assessed an insignificant loss allowance on these financial instruments.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have access to sufficient liquid assets to meet its current liabilities when they are due, under both normal and stressed conditions, without incurring excessive losses. Further, the Company's management is responsible for ensuring funds exist and are readily accessible to support business opportunities as they arise. The Company is exposed to this risk on its accounts payable and accrued liabilities, and convertible loan.

Foreign currency risk

The Company is exposed to foreign currency risk due to the timing of its cash balances, accounts payables and accrued liabilities, convertible loan, and lease liabilities. This risk is mitigated by timely payment of creditors and monitoring of foreign exchange fluctuations by management. The Company is exposed to unrealized foreign exchange risk through its US Dollar and Ghana GHS.

GOLDCOAST RESOURCE CORP.

Notes to Consolidated Financial Statements

For the year ended March 31, 2026 and the period ended March 31, 2025

(Expressed in Canadian dollars)

12. Commitments and contingencies

- (1) Pursuant to a Capital Markets Advisory Services Agreement entered on March 20, 2025, the Company has committed to (i) accrue \$7,500 work fee monthly to the Advisor and subsequently payable upon the earlier of the successful completion of a “go public” transaction or the cumulative financing of the Company in the amount of not less than USD\$1,000,000 which shall include any monies held in any shell vehicle that is combined with the Company, and thereafter payable in cash each month. \$nil was payable as of March 31, 2026; (ii) issue 3,478,635 common shares of the Company to the Advisor prior to a Change of Control or the earlier of the successful completion of a “go public” transaction and cumulative financing (equity or debt) of the Company in the amount of not less than US\$1,000,000. (iii) the Advisor shall have the exclusive right to act as the Company’s advisor on any M&A transaction or transaction during the Term of the Agreement. This Agreement shall be effective as of the date hereof and may terminate after the delivery of a notice of termination in writing at the option of either party hereto on or after the date that is thirty-six (36) months from the date of this Agreement. Notwithstanding a termination of this Agreement, the sections titled Fees (paragraph (ii)), Indemnity and Governing Law of this Agreement shall remain in full force and effect.
- (2) On August 11, 2025 the Company accepted a proposal and awarded to AI GeoIntelligence Corporation an Airborne Geophysical Survey Agreement, which was mended on February 15, 2026 for a total contract value of \$1,472,950 (US\$1,086,086). The Agreement covers Area of Interest of 15,793 KM2, and will be invoicing by Miles Stones: US\$55,000 prepayment on signing the Agreement (paid), US\$379,434 on the Company securing funding, US\$217,217 on completion of 50% of Data Acquisition, US\$217,217 on completion of 100% of Data Acquisition, US\$108,609 on delivery of Final Data, and US\$108,609 on final acceptance of Data. As of March 31, 2026, the Company has made a payment of US\$240,470 to AI GeoIntelligence Corporation.
- (3) The Company entered into an consulting agreement with its CEO Consultant for a monthly amount of \$13,575 and consulting agreement with each of two Directors for a monthly amount of \$13,575, for services. The agreements may be terminated by the Company in its discretion by paying an aggregate amount equal to (a) 30 months of fees in effect, plus (b) any unpaid bonus, plus (c) an average of any bonus awarded during the three financial years preceding the termination date to the CEO Consultant and the Directors, plus (d) out of pocket expenses incurred prior to the termination date (correctively “Termination Pay”). In the event of a change of control of the Company, the CEO Consultant and the Directors have the right to elect to terminate the agreements in which case they are entitled to Termination Pay.

13. Proposed transaction

On November 18, 2025, the Company entered into definitive Amalgamation Agreement (the “Agreement”) with Psyence Group Inc. a public company listing on the Canadian Securities Exchange (CSE:PSYG) (“Psyence”) and Psyence Therapeutics Corp. a wholly owned subsidiary of Psyence (“Psyence Subco”). The Agreement formalizes the terms outlined in the previously announced letter of intent (“LOI”) between Psyence and GoldCoast and provides for a business combination to be completed by way of a three-cornered amalgamation under the Business Corporations Act (Ontario) (the “Acquisition”). Upon completion of the Acquisition, GoldCoast and Psyence Subco will amalgamate to form a wholly owned subsidiary of Psyence. The resulting entity, which will carry on the business of GoldCoast under a new name to be approved prior to closing (the “Resulting Issuer”). The Amalgamation constitutes a “Change of Business” of Psyence under the Canadian Securities Exchange (“CSE”) policies and will be a reverse takeover transaction according to IFRS 3 Business Combinations.

GOLDCOAST RESOURCE CORP.

Notes to Consolidated Financial Statements

For the year ended March 31, 2026 and the period ended March 31, 2025

(Expressed in Canadian dollars)

13. Proposed transaction (continued)

On February 24, 2026, the Company and Psyence further amended the Amalgamation Agreement. The Amending Agreement provides for certain amendments to the Amalgamation Agreement in connection with the proposed three-cornered amalgamation under the Business Corporations Act (Ontario) (the "Amalgamation"), including: (i) an extension of the long-stop date for the holding of required shareholder meetings from January 30, 2026 to April 30, 2026; (ii) an extension of the outside date for completion of the Amalgamation (the "Closing Date") from March 31, 2026 to June 30, 2026; (iii) a corresponding extension of the termination date under the Amalgamation Agreement from March 31, 2026 to June 30, 2026; and (iv) a reduction of the minimum cash condition applicable to Psyence at closing from C\$400,000 to C\$250,000.

On May 27, 2026, the Company and Psyence further amended the Amalgamation Agreement to amend the term for the Consolidation of Psyence shares.

A condition of the closing of the Acquisition requires Psyence shall undertake a consolidation of its shares, that each one common share of Psyence (post-Consolidation Share) shall equal such number of pre-Consolidation Psyence shares as is equal to the equation $(A/B) \times C$, whereby:

A = 16,129,406 (representing the number of issued and outstanding pre-Consolidation Psyence shares)

B = the amount of cash on hand held by Psyence at the time of closing the Transactions, plus an reasonable expenses incurred by Psyence that have been incurred solely in connection with the Transactions, plus \$1,500,000, plus the value of the Psyence Loan outstanding at the time of closing the Transactions.

C = the issue price in Canadian dollars per security of the Company's security offered in the final Private Placement (or the conversion price of the Company's security, if applicable) completed prior to the Closing Date;

Each issued and outstanding common share of the Company will be exchanged for one common share of the resulting issuer ("Resulting Issuer Share"). Convertible securities of the Company will be exchanged on the same basis. The exchange ratio refers to post-consolidation shares of the Company, if applicable.

The Acquisition is an arm's length transaction and is subject to, among other things, receipt of all required corporate, shareholder and regulatory approvals (including CSE conditional approval for the listing of the Resulting Issuer Shares), and other customary closing conditions. Following closing, the board of directors and senior management of the Resulting Issuer will be reconstituted to include nominees of the Company.

Pursuant to the letter of intent announced on August 22, 2025, and a loan Amending Agreement made on November 21, 2025, with last amendment on May 27, 2026, Psyence advanced a secured bridge loan (the "Loan") of US\$250,000 to the Company. The Loan bears 10 % per annum interest, is secured by a general security agreement over all of the Company's assets and matures on the earlier of closing of the Amalgamation or June 30, 2026. The Loan proceeds are being used to fund the reconnaissance-licenses application, preparation of an NI 43-101 technical report and working capital. If the Amalgamation does not close, the Loan becomes immediately repayable, and Psyence has the option to convert the Loan (including all accrued and unpaid interest) into common shares in the capital of the Company at a price of US\$0.1497 per share. In the event the Amalgamation is completed, the principal amount of the Loan will be converting into shares of the Company and the Consolidation Ratio will be adjusted accordingly.

There is a potential termination fee of \$600,000 in the event the company does not complete the agreement and enters into alternative agreement by May 31, 2026.

GOLDCOAST RESOURCE CORP.

Notes to Consolidated Financial Statements

For the year ended March 31, 2026 and the period ended March 31, 2025

(Expressed in Canadian dollars)

14. Subsequent events

- (1) On April 7, 2026 the Company closed tranche 2 of the financing described in Note 7(a)(vii) by issuing 70,588 common shares at \$0.85 per share for \$60,000.
- (2) On April 1, 2026 the Company issued 2,000,000 warrants to a financing advisor for advisory fees, each warrant entitles the holder to purchase one common share of the Company at \$0.85 per share within 2 years from the issuance of the warrants. The warrants shall vest 10% on the date of issuance, 30% on the date which is six months from the date of issuance, 30% on the date which is twelve months from the date of issuance, and the 30% on the date which is eighteen months from the date of issuance.
- (3) Pursuant to an advisory agreement signed in the year ended March 31, 2025, the Company will issue 5% of the Company's total fully dilutive number of shares outstanding after the Closing of the Proposed Transaction as defined in Note 13 to an agent.
- (4) On April 13, 2026, the Company and Psyence further amended the Amalgamation Agreement to amend the term of Consolidation of Psyence shares, as describe in Note 13.
- (5) After March 31, 2026, the Company issued 107,868 warrants to finders, as described in Note 7(a)(vii).
- (6) On May 26, 2026, 470,000 options were issued to employees and consultants, each entitles the holder to purchase one common share of the Company at \$0.85 a share until May 26, 2029. 1/3 of the options vested on the date of grant, 1/3 vesting on one year anniversary from the grant date, and 1/3 vesting on the second anniversary from the grant date.
- (7) On June 18, 2026, 250,000 options were issued to a consultant, each entitles the holder to purchase one common share of the Company at \$1.00 a share until June 17, 2029. 1/3 of the options vested on the date of grant, 1/3 vesting on one year anniversary from the grant date, and 1/3 vesting on the second anniversary from the grant date.
- (8) On June 26, 2026, the Company closed a private placement financing and issued 210,000 common shares of the Company at a price of \$1.00 per share for proceeds of \$210,000.

GOLDCOAST RESOURCE CORP.

For the year ended March 31, 2026

Management's Discussion and Analysis dated June 30, 2026

The following discussion and analysis of results of operations of GoldCoast Resource Corp. ("GoldCoast" or the "Company") and its subsidiary for the year ended March 31, 2026, should be read in conjunction with the consolidated financial statements for the year ended March 31, 2026, which have been prepared in accordance with International Financial Reporting Standards ("IFRS"). All currency is shown in Canadian dollars unless otherwise stated. The Company's current subsidiary is its 90% owned Goldcoast GRC Ghana Ltd. a company registered in Ghana. On incorporation of Goldcoast GRC Ghana Ltd. on June 18, 2025, the Company acquired 90% interest of the subsidiary and a local partner in Ghana acquired 10% of the interest.

Forward-Looking Information

This Management's Discussion and Analysis ("MD&A") contains certain forward-looking statements and information relating to the Company that are based on the beliefs of its management, as well as assumptions made by and information currently available to the Company. When used in this document the words "anticipate", "believe", "estimate", "expect" and similar expressions, as they relate to the Company or its management, are intended to identify forward-looking statements. Forward-looking statements include, among other things, regulatory compliance, the sufficiency of current working capital, the estimated cost and availability of funding for the continued exploration and development of the Company's exploration properties. Such statements reflect the current views of its management with respect to future events and are subject to a variety of inherent risks, uncertainties and other facts that are beyond the Company's control, and could cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. The Company undertakes no obligation to update or revise any forward-looking statement whether as a result of new information, future events or any other reasons; except as required by applicable Canadian securities law. Investors and others should carefully consider these and other factors and not place undue reliance on these forward-looking statements.

General

GOLDCOAST RESOURCE CORP. (the "Company") is a company incorporated under the provisions of Business Corporations Act of Ontario on March 7, 2025. Its registered and head office is located at 100 King Street West, Suite 5600, Toronto, Ontario, M5X 1C9, Canada.

The business of the Company will be mainly in environmentally responsible shallow-water mineral exploration of the south coast of Ghana in the Atlantic Ocean.

On October 1, 2025, the Company completed a shares consolidation to consolidate its then 131,319,298 of pre-consolidated common shares issued and outstanding into 50,000,000 post-consolidated common shares. The consolidated financial statements are presented with the shares numbers on a post-consolidated basis.

On November 18, 2025, the Company entered into definitive Amalgamation Agreement (the "Agreement") with Psyence Group Inc. a public company listing on the Canadian Securities Exchange (CSE:PSYG) ("Psyence") and Psyence Therapeutics Corp. a wholly owned subsidiary of Psyence ("Psyence Subco"). The Agreement formalizes the terms outlined in the previously announced letter of intent ("LOI") between Psyence and GoldCoast and provides for a business combination to be completed by way of a three-cornered amalgamation under the Business Corporations Act (Ontario) (the "Acquisition"). Upon completion of the Acquisition, GoldCoast and Psyence Subco will amalgamate to form a wholly owned subsidiary of Psyence.

The resulting entity, which will carry on the business of GoldCoast under a new name to be approved prior to closing (the "Resulting Issuer"). The Amalgamation constitutes a "Change of Business" of Psyence under the Canadian Securities Exchange ("CSE") policies and will be a reverse takeover transaction according to IFRS 3 Business Combinations.

A condition of the closing of the Acquisition requires Psyence shall undertake a consolidation of its shares, that each one common share of Psyence (post-Consolidation Share) shall equal such number of pre-Consolidation Psyence shares as is equal to the equation $(A/B) \times C$, whereby:

A = 16,129,406 (representing the number of issued and outstanding pre-Consolidation Psyence shares)
B = C\$2,775,723
C = the issue price in Canadian dollars per security of the Company's security offered in the final Private Placement (or the conversion price of the Company's security, if applicable) completed prior to the Closing Date;

Each issued and outstanding common share of the Company will be exchanged for one common share of the resulting issuer ("Resulting Issuer Share"). Convertible securities of the Company will be exchanged on the same basis. The exchange ratio refers to post-consolidation shares of the Company, if applicable.

The Acquisition is an arm's length transaction and is subject completion of satisfactory due diligence by each party, receipt of all required corporate, shareholder and regulatory approvals (including CSE conditional approval for the listing of the Resulting Issuer Shares), and other customary closing conditions. Following closing, the board of directors and senior management of the Resulting Issuer will be reconstituted to include nominees of the Company.

Pursuant to the letter of intent announced on August 22, 2025, and a loan Amending Agreement made on November 21, 2025, Psyence advanced a secured bridge loan (the "Loan") of US\$250,000 to the Company. The Loan bears 10 % per annum interest, is secured by a general security agreement over all of the Company's assets and matures on the earlier of closing of the Amalgamation or May 31, 2026. The Loan proceeds are being used to fund the exploration-licence application, preparation of an NI 43-101 technical report and working capital. If the Amalgamation does not close, the Loan becomes immediately repayable, and Psyence has the option to convert the Loan (including all accrued and unpaid interest) into common shares in the capital of the Company at a price of US\$0.1497 per share. In the event the Amalgamation is completed, the principal amount of the Loan will be converting into shares of the Company and the Consolidation Ratio will be adjusted accordingly.

There is a potential termination fee of \$600,000 in the event the company does not complete the agreement and enters into alternative agreement by May 31, 2026. On February 24, 2026, the Company and Psyence further amended the Amalgamation Agreement. The Amending Agreement provides for certain amendments to the Amalgamation Agreement in connection with the proposed three-cornered amalgamation under the Business Corporations Act (Ontario) (the "Amalgamation"), including: (i) an extension of the long-stop date for the holding of required shareholder meetings from January 30, 2026 to April 30, 2026; (ii) an extension of the outside date for completion of the Amalgamation (the "Closing Date") from March 31, 2026 to June 30, 2026; (iii) a corresponding extension of the termination date under the Amalgamation Agreement from March 31, 2026 to June 30, 2026; and (iv) a reduction of the minimum cash condition applicable to Psyence at closing from C\$400,000 to C\$250,000.

Ghana Property

On August 20, 2025, the Company ("Assignee") has signed an Intellectual Property Assignment Agreement with Poseidon Offshore Minerals Inc., a corporation incorporated under the laws of Ontario, and Tom Griffis a director of the Company, and Bob Griffis an individual who is a key management person of the Company and is related to Tom Griffis (collectively the "Assignors"), for cash consideration of \$139,700 (US\$100,000). The Assignors are the legal and/or beneficial owners, or have direct or indirect control, of all intellectual property, data, and related materials more fully set out in Schedule A ("Assigned Property") and future intellectual property connected to the business of offshore Ghana exploration including Poseidon Offshore Minerals Ltd. Ghana Offshore Mineral Sand Exploration Project 2017, prepared for Poseidon Offshore Minerals Inc. and authored by Torkornoo & Associates Ltd., August 2027, including all drafts, appendices, and annexes ("NI 43-101 Technical Report"). The parties have agreed that the Assignors will transfer, convey, and assign to the Assignee all rights, title, and interests in and to the Assigned Property.

The Company has made an application to the Minerals Commission of Ghana for a reconnaissance licence in accordance with Section 31 of the Minerals and Mining Act, 2006 (Act 703) to conduct reconnaissance activities over a 10,000 km² area at half Assini in Western Ghana and eastward to Winneba, Ghana measuring 300 km off the coastline of Ghana. In the year ended March 31, 2026 the Company has obtained reconnaissance licenses for the property. These licenses are for 12 months and may be renewed in accordance with Ghanaian regulation.

Financial Highlights

Results of Operations

For the year ended March 31, 2026

The net loss from operations for the year from April 1, 2025 to March 31, 2026 was \$3,370,031. Operating expenses totalled \$3,351,375 mainly including \$954,004 consulting fees, \$1,258,966 exploration expenditures (the Company's expenses mineral development and exploration expenses until a project has been established as commercially viable and technically feasible, upon which time related development expenditure will be capitalized), \$18,324 foreign exchange gain, \$309,172 professional fees, \$83,163 general and administrative expenses, \$752,960 stock based expenses, and \$11,434 amortization expenses. It also reported \$22,620 interest expenses for the year and interest income of \$3,964 for the year. Loss per share for the year, basic and diluted, was \$0.07. Cash used for operating activities was of \$2,855,879 for the year ended March 31, 2026. The \$954,004 consulting fees included \$648,560 fees to the Company's directors, officers and office staff, and \$305,444 consulting fees for investor relations and financial advisors. The \$1,258,966 exploration expenses included \$138,200 acquisition of the property and literature review, \$331,510 staff salaries and consulting fees for exploration, 165,782 for government permits and related expenses, \$420,867 airborne survey expenses, \$138,727 site expenses, logistics, travel and accommodation expenses, and \$63,880 other expenses.

During the year ended March 31, 2026, the Company reported cash used for investing activities of \$261,800 for purchase of property and equipment.

During the year ended March 31, 2026, the Company reported a total cash flow from financing activities of \$10,298,040. It obtained a loan from Psyence of \$348,656 (US\$250,000). It's private placement financing activities raised funds of \$9,971,850 net of share issue costs. And it paid lease payments of \$22,466 in the year for an apartment used to accommodate overseas consultants and employees working on the project.

It reported a loss attributed to non-controlling interest of \$62,210 for the year ended March 31, 2026.

Quarterly Information

The following table sets out selected quarterly financial information of GoldCoast and is prepared by management:

	March 31, 2026	Dec. 31, 2025	Sept 30, 2025	June 30, 2025	March 31, 2025
Operating Revenue (\$)	Nil	Nil	Nil	Nil	Nil
Total Net Loss (\$)	823,547	1,739,884	529,942	276,658	Nil
Basic and Diluted Loss Per Share (\$)	0.02	0.03	0.01	0.01	0.00

Liquidity and Financial Condition

As at March 31, 2026, GoldCoast had current assets of \$7,628,612, current liabilities total 574,165, and a working capital of \$7,054,447. Cash and cash equivalent was \$7,715,026. HST receivable was \$128,521. Prepaid expenses \$325,065. Equipment assets were \$260,494 and right of use asset was \$49,893 at March 31, 2026. Current liabilities included \$180,712 accounts payable and accrued liabilities, and \$369,765 convertible loan payable and \$23,688 current portion of lease liability.

Pursuant to the LOI, on August 20, 2025 Psyence advanced a secured loan of \$348,656 (US\$250,000) to the Company bearing interest at 10% per annum, maturing on the earlier of the closing of the Acquisition and December 31, 2025 (which was amended by an Amending Agreement to extend to March 31, 2026 and further to June 30, 2026), and secured against all assets of the Company. Interest is calculated and accrued monthly. The Outstanding Amount, being the aggregate indebtedness, actual and contingent, of the Company to the lender in terms of and arising from this loan, shall be deemed satisfied and extinguished in full and shall no longer be payable by the Company to the lender if the Acquisition closes.

In the event that the Acquisition does not close by the earlier of (i) the closing date contemplated in the Definitive Agreement or (ii) March 31, 2026, the Outstanding Amount plus accrued interest shall be due and payable within 21 days of demand by the Lender for payment of the Outstanding Amount (the "Due Date"). If the Company fails to pay the Outstanding Amount plus accrued interest by the Due Date, the Lender shall have the right, in its sole discretion, to convert the Outstanding Amount and any accrued interest into that number of common shares of the Company calculated at a price per share equal to the price of the last equity financing completed by the Company prior to the date of the LOI, being US\$0.1497 per share (on a post-consolidation basis). In the event the Amalgamation is completed, the principal amount of the Loan will be forgiven and the Consolidation Ratio will be adjusted accordingly.

On the start of the loan, the Company allocated US\$250,000 to the fair value of the loan, and the residual \$nil to the conversion rights. As of March 31, 2026, the Outstanding Amount being principal and interests payable was \$369,765 (US\$265,274). \$21,109 (US\$15,274) interest was accrued for the year ended March 31, 2026.

Non-controlling interests representing carrying value of the share interest held by minority shareholders in GoldCoast's Ghana subsidiary was a deficit of \$62,210 as of March 31, 2026. See subsequent events.

Capital Management:

The Company considers its capital structure to consist of share capital, reserves, and deficit. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support its development and operating activities.

The Company's objective when managing capital is to safeguard its ability to continue as a going concern in order to pursue the exploration of its mineral property. The Company satisfies its capital requirements through careful management of its cash resources.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the year ended March 31, 2026.

Outstanding Share Data

GoldCoast's authorized capital consists of an unlimited number of common shares without par value. As at March 31, 2026 there were 63,232,567 common shares, 701,121 warrants, and 3,460,563 stock options issued and outstanding. As of the date of this MD&A there are 63,513,155 common shares, 4,180,563 stock options, and 2,808,988 warrants outstanding once the all the warrants to brokers are issued.

Related Party Transactions

During the year ended March 31, 2026, the Company paid consulting fees in total of \$510,793 to directors and officers of the Company, including its CEO, CFO, director Elia Crespo, director Tom Griffis, and it's key officer Robert Griffis in Ghana office

The Company on incorporation on March 7, 2025, issued 47,060,870 common shares to its foundering shareholders for total cash consideration of \$17 (US\$12).

On January 22, 2026, 2,075,000 stock options were granted to directors and key management personnels of the Company. 1/3 of the stock options vested in the year ended March 31 2026 for stock-based compensation expense of \$752,960.

On August 20, 2025, the Company ("Assignee") has signed an Intellectual Property Assignment Agreement with Poseidon Offshore Minerals Inc., a corporation incorporated under the laws of Ontario, and Tom Griffis a director of the Company, and Bob Griffis an individual who is a key management person and is related to Tom Griffis (collectively the "Assignors"), for cash consideration of \$138,200 (US\$100,000).

Recently Issued Accounting Pronouncements

The Company has determined that new standards, interpretations and amendments to existing standards have been issued by the IASB or IFRIC that are either not applicable to the Company or that no material effect is expected on the financial statements as a result of adoption.

Critical Accounting Estimates and Judgements:

The preparation of financial statements requires management to make estimates and judgments about the future. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Accounting estimates will, by definition, seldom equal the actual results. The following discussion sets forth management's:

- most critical estimates and assumptions in determining the value of assets and liabilities; and
- most critical judgments in applying accounting policies.

Please refer to Note 2 to the March 31, 2026, audited consolidated financial statements for the critical accounting estimates and judgements used by management for the financial statements.

Commitments and contingencies

(1) Pursuant to a Capital Markets Advisory Services Agreement entered on March 20, 2025, the Company has committed to (i) accrue \$7,500 work fee monthly to the Advisor and subsequently payable upon the earlier of the successful completion of a “go public” transaction or the cumulative financing of the Company in the amount of not less than USD\$1,000,000 which shall include any monies held in any shell vehicle that is combined with the Company, and thereafter payable in cash each month. \$Nil was payable as of March 31, 2026; (ii) issue 3,478,635 common shares of the Company to the Advisor prior to a Change of Control or the earlier of the successful completion of a “go public” transaction and cumulative financing (equity or debt) of the Company in the amount of not less than US\$1,000,000. (iii) the Advisor shall have the exclusive right to act as the Company’s advisor on any M&A transaction or transaction during the Term of the Agreement. This Agreement shall be effective as of the date hereof and may terminate after the delivery of a notice of termination in writing at the option of either party hereto on or after the date that is thirty-six (36) months from the date of this Agreement. Notwithstanding a termination of this Agreement, the sections titled Fees (paragraph (ii)), Indemnity and Governing Law of this Agreement shall remain in full force and effect.

(2) On August 11, 2025 the Company accepted a proposal and awarded to AI GeolIntelligence Corporation an Airborne Geophysical Survey Agreement, which was mended on February 15, 2026 for a total contract value of \$1,472,950 (US\$1,086,086). The Agreement covers Area of Interest of 15,793 KM2, and will be invoicing by Miles Stones: US\$55,000 prepayment on signing the Agreement (paid), US\$379,434 on the Company securing funding, US\$217,217 on completion of 50% of Data Acquisition, US\$217,217 on completion of 100% of Data Acquisition, US\$108,609 on delivery of Final Data, and US\$108,609 on final acceptance of Data. As of March 31, 2026, the Company has made a payment of US\$240,470 to AI GeolIntelligence Corporation.

(3) The entered into an consulting agreement with its CEO Consultant for a monthly amount of \$13,575 and consulting agreement with each of two Directors for a monthly amount of \$13,575, for services. The agreements may be terminated by the Company in its discretion by paying an aggregate amount equail to (a) 30 months of fees in effect, plus (b) any unpaid bonus, plus (c) an average of any bonus awarded during the three financial years preceding the termination date to the CEO Consultant and the Directors, plus (d) out of pocket expenses incurred prior to the termination date (correctively “Termination Pay”). In the event of a change of control of the Company, the CEO Consultant and the Directors have the right to elect to terminate the agreements in which case they are entitled to Termination Pay.

Subsequent events

(1) On April 7, 2026 the Company closed tranche 2 of the financing described in Note 7(a)(vii) by issuing 70,588 common shares at \$0.85 per share for \$60,000.

(2) On April 1, 2026 the Company issued 2,000,000 warrants to a financing advisor for advisory fees, each warrant entitles the holder to purchase one common share of the Company at \$0.85 per share within 2 years from the issuance of the warrants. The warrants shall vest 10% on the date of issuance, 30% on the date which is six months from the date of issuance, 30% on the date which is twelve months from the date of issuance, and the 30% on the date which is eighteen months from the date of issuance.

- (3) Pursuant to an advisory agreement signed in the year ended March 31, 2026, the Company will issue 5% of the Company's total fully dilutive number of shares outstanding after the Closing to an agent.
- (4) See Note 4 to the Company's consolidated financial statements for the year ended March 31, 2026.
- (5) See Note 12 to the Company's consolidated financial statements for the year ended March 31, 2026.
- (6) On April 13, 2026, the Company and Psyence further amended the Amalgamation Agreement to amend the term of Consolidation of Psyence shares, as describe in Note 13 to the Company's consolidated financial statements for the year ended March 31, 2026.
- (7) After March 31, 2026, the Company issued 107,868 warrants to finders.
- (8) On May 26, 2026, 470,000 options were issued to employees and consultants, each entitles the holder to purchase one common share of the Company at \$0.85 a share until May 26, 2029. 1/3 of the options vested on the date of grant, 1/3 vesting on one year anniversary from the grant date, and 1/3 vesting on the second anniversary from the grant date.
- (9) On June 18, 2026, 250,000 options were issued to a consultant, each entitles the holder to purchase one common share of the Company at \$1.00 a share until June 17, 2029. 1/3 of the options vested on the date of grant, 1/3 vesting on one year anniversary from the grant date, and 1/3 vesting on the second anniversary from the grant date.
- (10) On June 26, 2026, the Company closed a private placement financing and issued 210,000 common shares of the Company at a price of \$1.00 per share for proceeds of \$210,000.

Financial instruments and risk factors

The Company's current major projects are the Company's Ghana project. Unless the Company acquires or develops additional project, the Company will be mainly dependent upon this project. If no additional major mineral related assets are acquired by the Company, any adverse development affecting this asset would have a material adverse effect on the Company's financial condition and results of operations.

Other risk factors and the impact on the Company's financial instruments are summarized in the Note 9 to the March 31, 2026, audited consolidated financial statements.

Please refer to the Note 9 to the March 31, 2026, audited consolidated financial statements of the Company for the discussions on the financial instruments the Company holds, and the risk factors and analysis.

Off-Balance Sheet Arrangements

The Company has not entered into any off-balance sheet arrangements.

Corporate Governance and Management's Responsibility for Financial Statements

Management of the Company is responsible for the preparation and presentation of the annual consolidated financial statements and notes thereto and the accompanying MD&A and other information contained therein. Additionally, it is management's responsibility to ensure that the Company complies with the laws and regulations applicable to its activities. The Company's management is accountable to the Board of Directors ("Directors"), each member of which is elected annually by the shareholders of the Company. Directors have responsibility for the reviewing and approving of the Company's annual audited consolidated financial statements and related MD&A.

The consolidated financial statements and information in the MD&A necessarily include amounts based on informed judgments and estimates of the expected effects of current events and transactions with appropriate

consideration to materiality. In addition, in preparing the financial information management must interpret the requirements described above, make determinations as to the relevancy of information to be included, and make estimates and assumptions that affect reported information. The MD&A also includes information regarding the impact of current transactions and events, sources of liquidity and capital resources, operating trends, risks and uncertainties. Actual results in the future may differ materially from our present assessment of this information because future events and circumstances may not occur as expected.

All relevant information related to the Company is filed electronically on the Company's website at www.goldcoastresource.com.

SCHEDULE C
***PRO FORMA* FINANCIAL STATEMENTS OF THE COMPANY**

(see attached)

GoldCoast Resource Corp.

Unaudited

Pro Forma Combined Financial Statements

For the year ended March 31, 2026

(Expressed in Canadian dollars)

GOLDCOAST RESOURCE CORP.

Unaudited Pro Forma Combined Statements of Financial Position As at March 31, 2026

(Expressed in Canadian dollars)

	GoldCost Resource Corp. March 31, 2026	Psyence Group Inc. March 31, 2026	Note Ref.	Pro Forma Adjustments	Pro Forma Combined March 31, 2026
Assets					
Current assets					
Cash and cash equivalents	7,175,026	439,941	4(1)	270,000	
	-	-	4(2)	(150,000)	
	-	-	4(2)	(150,000)	7,584,967
HST receivable	128,521	6,872			135,393
Amounts receivable	-	364,238	4(7)	(364,238)	-
Prepaid expenses	168,849	5,739			174,588
Total current assets	7,472,396	816,790		(394,238)	7,894,948
Equipment	260,494	-			260,494
Deposit on equipment	156,216	-			156,216
Right of use asset	49,893	-			49,893
Total assets	7,938,999	816,790		(394,238)	8,361,551
Liabilities					
Accounts payable and accrued liabilities	180,712	137,237			317,949
Lease liability	23,688	-			23,688
Convertible loan	369,765	-	4(7)	(369,765)	-
Total current liabilities	574,165	137,237		(369,765)	341,637
Lease liability	15,390	-		-	15,390
Warrants to be issued	74,642	-		(74,642)	-
Total liabilities	664,197	137,237		(444,407)	357,027
Equity					
Common shares	9,430,654	-	4(1)	270,001	
			4(1)	(1)	
			4(2)	400,000	
			4(6)	97,999	
			4(7)	369,765	
	-	22,537,858			
	-	-	4(6)	(22,537,858)	
	-	-	4(6)	2,318,480	12,886,898
Warrants	466,571	-	4(1)	1,409,674	
			4(6)	8,110	1,884,355
Reserves	752,960	1,954,090	4(6)	(1,954,090)	
			4(1)	345,781	
			4(1)	216,383	1,315,124
Deficit	-	(23,812,395)	4(2)	(150,000)	
			4(2)	(400,000)	
			4(1)	(1,897,196)	
			4(6)	23,962,395	
			4(6)	(1,895,036)	
	(3,307,821)		4(2)	(150,000)	
			4(7)	(364,238)	(8,014,291)
Accumulated other comprehensive loss	(5,352)	-			(5,352)
Equity attributable to shareholders	7,337,012	679,553		50,169	8,066,734
Non-controlling interests	(62,210)	-		-	(62,210)
Total equity	7,274,802	679,553		50,169	8,004,524
Total liabilities and equity	7,938,999	816,790		(394,238)	8,361,551

See accompanying notes to the unaudited pro-forma combined financial statements.

GOLDCOAST RESOURCE CORP.

Unaudited Pro Forma Combined Statements of Loss and Comprehensive Loss For the year ended March 31, 2026

(Expressed in Canadian dollars)

	GoldCost Resource Corp. year ended March 31, 2026	Psyence Group Inc. year ended March 31, 2026	Note Ref.	Pro Forma Adjustments	Pro Forma Combined for the Year ended March 31, 2026
	\$	\$		\$	\$
Expenses					
Amortization	11,434	3,118			14,552
Consulting fees	954,004	-	4(1)	1,335,032	2,289,036
Exploration expenses	1,258,966	-			1,258,966
General and administrative expenses	83,163	204,284		-	287,447
Listing expenses	-	-	4(6)	1,895,036	1,895,036
Professional fees	309,172	440,761	4(2)	150,000	
			4(2)	400,000	1,299,933
Research and development		89,990		-	89,990
Sales and marketing		119,867		-	119,867
Stock compensation expense	752,960	-	4(1)	562,164	1,315,124
	3,369,699	-		4,342,232	8,569,951
Loss before other income	(3,369,699)	(858,020)		(4,342,232)	(8,569,951)
	(3,369,699)	(858,020)		(4,342,232)	(8,569,951)
Interest income	3,964	24,211			28,175
Foreign exchange	18,324	707			19,031
Loss on impairment of intangible asset		(12,381)			
Loss on disposal of PBM		(287,042)			
Loss on disposal of Psyence Labs Ltd.	-	(219,441)			(219,441)
Fair value gain on warrant liability	-	(22,911)			(22,911)
Interest expenses	(22,620)	(18,657)	4(7)	22,620	(18,657)
Net loss	(3,370,031)	(1,393,534)		(4,319,612)	(8,783,754)
Other comprehensive income					
Foreign exchange gain on translation	(5,352)	(175,151)		-	(180,503)
Total comprehensive loss	(3,375,383)	(1,568,685)		(4,319,612)	(8,964,257)

See accompanying notes to the unaudited pro-forma combined financial statements.

GoldCoast Resource Corp.
Notes to the Unaudited Pro Forma Combined Financial Statements
For the Year Ended March 31, 2026
(Expressed in Canadian dollars)
(Unaudited)

1. Basis of presentation

The accompanying unaudited pro forma combined statement of financial position and statement of loss and comprehensive loss of GoldCoast Resource Corp. ("GOLDCOAST") give effect to the proposed Amalgamation Transaction of GoldCoast Resource Corp. (the "Company"), Psyence Group Inc. ("Psyence") and Psyence Therapeutics Corp. a wholly owned subsidiary of Psyence ("Psyence Subco").

The unaudited pro forma combined statement of financial position and statement of loss and comprehensive loss (the "pro forma financial statements") have been prepared by the management of GOLDCOAST based on historical financial statements prepared in accordance with International Financial Reporting Standards ("IFRS").

Certain significant estimates have been made by management in the preparation of these pro forma combined financial statements.

The unaudited pro forma combined statement of financial position and statements of loss and comprehensive loss have been compiled from:

- The audited consolidated statement of financial position and statement of loss and comprehensive loss of the Company as at and for the year ended March 31, 2026, obtained from the audited consolidated financial statements of the Company for the year ended March 31, 2026; and
- The audited consolidated statement of financial position and statement of loss and comprehensive loss of Psyence as at and for the year ended March 31, 2026, which are obtained from the audited consolidated financial statements of Psyence for the year ended March 31, 2026.

The unaudited pro forma combined statement of financial position and statement of loss and comprehensive loss have been prepared as if the Transaction had occurred as of April 1, 2025.

The unaudited pro forma combined financial statements have been prepared for illustration purposes only and may not be indicative of the combined results or financial position had the Transaction been in effect at the date indicated.

GoldCoast Resource Corp.
Notes to the Unaudited Pro Forma Combined Financial Statements
For the Year Ended March 31, 2026
(Expressed in Canadian dollars)
(Unaudited)

1. Basis of presentation (continued)

In the opinion of GOLDCOAST's management, the pro forma combined financial statements include all adjustments necessary for a fair presentation of the transactions described in Note 4 applied on a basis consistent with GOLDCOAST's accounting policies. Actual amounts recorded once these transactions and other adjusting items are completed will likely differ from those recorded in these unaudited pro forma combined financial statements. Further, these unaudited pro forma combined financial statements are not necessarily indicative of the financial position or operations that may be obtained in the future. These differences may be material.

2. Material accounting policies

The material accounting policies followed in these unaudited pro forma combined financial statements are consistent with those applied in GOLDCOAST's audited consolidated financial statements for the year ended March 31, 2026.

3. Planned Amalgamation Transaction

On November 18, 2025, the Company entered into definitive Amalgamation Agreement (the "Agreement") with Psyence Group Inc. a public company listing on the Canadian Securities Exchange (CSE:PSYG) ("Psyence") and Psyence Therapeutics Corp. a wholly owned subsidiary of Psyence ("Psyence Subco"). The Agreement formalizes the terms outlined in the previously announced letter of intent ("LOI") between Psyence and GoldCoast and provides for a business combination to be completed by way of a three-cornered amalgamation under the Business Corporations Act (Ontario) (the "Acquisition"). Upon completion of the Acquisition, GoldCoast and Psyence Subco will amalgamate to form a wholly owned subsidiary of Psyence. The resulting entity, which will carry on the business of GoldCoast under a new name to be approved prior to closing (the "Resulting Issuer"). The Amalgamation constitutes a "Change of Business" of Psyence under the Canadian Securities Exchange ("CSE") policies and will be a reverse takeover transaction according to IFRS 3 Business Combinations.

A condition of the closing of the Acquisition requires Psyence shall undertake a consolidation of its shares.

"Consolidation" means the consolidation of the Psyence Shares on the basis of one (1) new Psyence Share equal to such number of pre-Consolidation Psyence Shares as is equal to the result of the equation $(A/B) * C$, whereby:

A = 16,129,406 (representing the number of issued and outstanding Psyence Shares);

B = the amount of cash on hand held by Psyence at the time of closing the Transactions, plus any reasonable expenses incurred by Psyence that have been incurred solely in connection with the Transactions, plus C\$1,500,000, plus the value

GoldCoast Resource Corp.**Notes to the Unaudited Pro Forma Combined Financial Statements****For the Year Ended March 31, 2026****(Expressed in Canadian dollars)****(Unaudited)**

of the Psyence Loan outstanding at the time of closing the Transactions (being, as at the date hereof, approximately US\$250,000 plus accrued interest (C\$364,238)); and

C = the issue price per security of GoldCoast offered in the final private placement (or the conversion price of such GoldCoast security, if applicable) completed prior to the Closing Date;

Each issued and outstanding common share of the Company will be exchanged for one common share of the resulting issuer ("Resulting Issuer Share"). Convertible securities of the Company will be exchanged on the same basis. The exchange ratio refers to post-consolidation shares of the Company, if applicable.

The Acquisition is an arm's length transaction and is subject to, among other things, the execution of a definitive agreement, completion of satisfactory due diligence by each party, receipt of all required corporate, shareholder and regulatory approvals (including CSE conditional approval for the listing of the Resulting Issuer Shares), and other customary closing conditions. Following closing, the board of directors and senior management of the Resulting Issuer will be reconstituted to include nominees of the Company.

Pursuant to the letter of intent announced on August 22, 2025, and a loan Amending Agreement made on November 21, 2025, Psyence advanced a secured bridge loan (the "Loan") of US\$250,000 to the Company. The Loan bears 10 % per annum interest, is secured by a general security agreement over all of the Company's assets and matures on the earlier of closing of the Amalgamation or May 31, 2026. The Loan proceeds are being used to fund the exploration-licence application, preparation of an NI 43-101 technical report and working capital. If the Amalgamation does not close, the Loan becomes immediately repayable, and Psyence has the option to convert the Loan (including all accrued and unpaid interest) into common shares in the capital of the Company at a price of US\$0.1497 per share. In the event the Amalgamation is completed, the principal and interest amount of the Loan will be converted into shares of the Company, and the Consolidation Ratio will be adjusted accordingly.

On February 24, 2026, the Company and Psyence further amended the Amalgamation Agreement. The Amending Agreement provides for certain amendments to the Amalgamation Agreement in connection with the proposed three-cornered amalgamation under the Business Corporations Act (Ontario) (the "Amalgamation"), including: (i) an extension of the long-stop date for the holding of required shareholder meetings from January 30, 2026 to April 30, 2026; (ii) an extension of the outside date for completion of the Amalgamation (the "Closing Date") from March 31, 2026 to May 31, 2026; (iii) a corresponding extension of the termination date under the Amalgamation Agreement from March 31, 2026 to May 31, 2026; and (iv) a reduction of the minimum cash condition applicable to Psyence at closing from C\$400,000 to C\$250,000. On further amendments made on April 13, 2026 and May 27, 2026 the Closing Date is extended to June 30, 2026.

GoldCoast Resource Corp.
Notes to the Unaudited Pro Forma Combined Financial Statements
For the Year Ended March 31, 2026
(Expressed in Canadian dollars)
(Unaudited)

4. Pro forma assumptions and adjustments

1) Assuming:

- (a) 2,000,000 compensation options (warrants) are issued to a financing advisor for services, value at \$1,335,032. Each warrant entitles the broker to purchase one common share of the Company at \$0.85 a share until April 1, 2028.
- (b) 3,478,635 common shares will be issued to a consultant on Closing pursuant to a Capital Markets Advisory Services Agreement entered on March 20, 2025, for a valuation of \$1.
- (c) Also assuming 210,000 common shares in the Final Private Placement will be issued on the date of RTO for \$1 per share for \$210,000
- (d) 70,588 common shares issued for \$60,000 on April 7, 2026.
- (e) 107,868 compensation options (warrants) to be issued on March 31, 2026 were issued.
- (f) The Company will issue 470,000 options to employees and consultants, each entitles the holder to purchase one common share of the Company at \$0.85 a share until May 26, 2029. 1/3 of the options vested on the date of grant, 1/3 vesting on one year anniversary from the grant date, and 1/3 vesting on the second anniversary from the grant date. The options are valued \$345,781.
- (g) The Company will issue 250,000 options to a consultant, each entitles the holder to purchase one common share of the Company at \$1 a share until June 17, 2029. 1/3 of the options vested on the date of grant, 1/3 vesting on one year anniversary from the grant date, and 1/3 vesting on the second anniversary from the grant date. The options are valued \$216,383.

- 2) Assuming the Company will pay \$150,000 transaction costs, and Psyence will pay \$150,000 transaction costs on or before the Closing. And Psyence will issue 400,000 shares to consultants for \$400,000 administrative and facilitation fees.

- 3) Assuming Psyence pre-consolidation 16,129,406 shares will be consolidated into 2,318,480 post-consolidation shares, at a ratio of 6.9565 as per the Amalgamation Agreement, calculated as below:

A=16,129,406 being Psyence's number of shares outstanding pre-consolidation

B=2,318,480 as per the Amalgamation Agreement

C=1 being the Final Private Placement share price of the Company in Canadian dollars

$(A/B) \times C = 6.9565$

- 4) Assuming on the date of acquisition, Psyence's 131,445 stock options (pre-consolidation) outstanding be consolidated into 18,896 post consolidation options of GoldCoast that have a fair value of \$8,110 as of March 31, 2026.

The 18,896 stock options have been assigned a value of \$8,110 as estimated using the Black-Scholes model under the following assumptions: share price - \$1.00; exercise price \$5.69 to \$15.61, risk-free interest rate – 2.94%; expected dividend yield – 0%; expected stock volatility – 170%; and expected life – 1.92 to 2.32 years.

GoldCoast Resource Corp.**Notes to the Unaudited Pro Forma Combined Financial Statements****For the Year Ended March 31, 2026****(Expressed in Canadian dollars)****(Unaudited)**

- 5) Assuming on the date of acquisition Psyence's 681,731 pre-consolidation restricted stock units (RSUs) outstanding as of March 31, 2026 will be consolidated into 97,999 post consolidation RSUs and are exercised into 97,999 common shares, value at \$97,999.
- 6) The Amalgamation Agreement transaction will result into a reverse-take-over of Psyence by the Company., where the Company. is the acquirer and Psyence is the acquiree. The acquisition of Psyence constitutes an asset acquisition as Psyence did not meet the definition of a business, as defined in IFRS 3 – Business Combinations.

The transaction has been accounted for in accordance with IFRS 2 – Share Based Payments. The fair value of Psyence's net assets acquired by the Spin Co. is \$529,553:

Net asset 03/31/2026	\$	679,553
<u>Adjustment 4(2)</u>		<u>(150,000)</u>
Net asset acquired	\$	<u>529,553</u>

The fair value of the aggregate considerations paid by the Company, being the 2,318,609 post-consolidation common shares valued at \$1 a share or \$2,318,609, the 97,999 shares issued to RSUs valued at \$1 a share or \$97,999, and the 18,896 stock options valued at \$8,110.

Consolidation paid				
2,318,609 shares valued at	\$	1.00	\$	2,318,609
97,999 RSUS valued at	\$	1.00		97,999
18,896 options valued at				8,110
			\$	<u>2,424,718</u>
Listing expenses			\$	<u>1,895,165</u>

The excess of the fair value of considerations over the net assets acquired, \$1,895,165 is recorded as listing expenses.

- 7) The amalgamation will result into the elimination of the Psyence loan between the Company and the Pysence for principal of US\$250,000, and the elimination of interest expense accrued by the Company had the transaction happened on December 1, 2024.

GoldCoast Resource Corp.
Notes to the Unaudited Pro Forma Combined Financial Statements
For the Year Ended March 31, 2026
(Expressed in Canadian dollars)
(Unaudited)

5. Pro forma capital stock

(a) The following table summarizes the pro-forma common shares outstanding:

Shares of the Company outstanding as of March 31, 2026		63,232,567
New shares issued in planned Private Placements after March 31, 2026		280,588
New shaes issued to a consultant	4(1)	3,478,635
Shares issued to Psyence shareholders	4(3)	2,318,480
Shares issued to RSUs	4(5)	97,999
Shares issued Psyence consultant	4(2)	400,000
Total		<u>69,808,269</u>

(b) The following table summarizes the pro forma warrants and compensation options (warrants) outstanding:

Expiry date	Number of warrantss outstanding	Exercise price	Weighted average remaining life (years)	Number of warrantss exercisable	Value at date of issuance
2027-02-16	99,999	0.45	0.88	99,999	36,212
Total	99,999	0.45	0.88	99,999	\$ 36,212

And below are the compensation options outstanding:

Expiry date	Number of warrantss outstanding	Exercise price	Weighted average remaining life (years)	Number of warrantss exercisable	Value at date of issuance
2028-03-16	479,768	0.85	1.96	479,768	\$ 342,550
2028-03-20	121,353	0.85	1.97	121,353	\$ 87,809
2028-04-01	2,000,000	0.85	2.01	2,000,000	\$ 1,335,032
2028-04-07	107,868	0.85	2.02	107,868	\$ 74,642
Total	2,708,989	0.85	2.00	2,708,989	\$ 1,840,033

(c) The following table summarizes the pro forma stock options outstanding:

GoldCoast Resource Corp.
Notes to the Unaudited Pro Forma Combined Financial Statements
For the Year Ended March 31, 2026
(Expressed in Canadian dollars)
(Unaudited)

Expiry date	Number of options outstanding	Exercise price	Weighted average remaining life (years)	Number of options exercisable	Grant date value	
2027-12-31	3,993	6.26	1.75	3,993	\$	1,915 *
2028-03-31	13,464	14.61	2.00	13,464	\$	5,553 *
2028-05-25	1,437	14.61	2.15	1,437	\$	642 *
2028-10-15	285,563	0.21	2.55	285,563	\$	106,096 **
2031-01-22	3,025,000	0.45	4.82	1,008,333	\$	1,411,845 **
2031-03-13	150,000	0.45	4.95	50,000	\$	124,963 **
2029-05-26	470,000	0.85	3.16	156,667	\$	345,781 **
2029-06-17	250,000	1.00	3.22	83,333	\$	216,383 **
Total	4,199,457	0.567	4.37	1,602,791	\$	2,213,179

* These are Psyence options.

**These are the Company's options.

The carry value of the RSUs of \$157,821, the value of warrants of \$2,070,020 and the carrying value of the stock options of \$1,010,429 are recorded as reserves in the pro forma combined statement of financial position.

The following table summarizes all the shares, RSUs, warrants and options at a fully diluted basis:

Fully diluted		
Post consolidation		
Psyence Shares	2,318,480	3.02%
Psyence post-consolidation shares to RSUs		
	97,999	0.13%
Resulting Issuer		
Shares issued to GoldCoast		
Shareholders pursuant to the Amalgamation	63,513,155	82.68%
New shaes issued to a consultant		
	3,478,635	4.53%
Shares issued for administrative and facilitation fees		
	400,000	0.52%
Compensation options	2,708,989	3.53%
Investors warrants	99,999	0.13%
Goldcoast options	4,180,563	5.44%
Psyence options	18,894	0.02%
TOTAL	76,816,714	100.00%

6. Pro forma statutory income tax rate

The pro-forma effective statutory income tax rate of the combined companies will be 26.5%.

SCHEDULE D
AUDIT COMMITTEE CHARTER

AUDIT COMMITTEE OF THE BOARD OF DIRECTORS CHARTER

I. PURPOSE

The Audit Committee is a committee of the Board of Directors. The primary function of the Audit Committee is to assist the Board of Directors in fulfilling its oversight responsibilities by:

- reviewing the financial reports and other financial information provided by the Corporation to any governmental body or the public and other relevant documents;
- recommending the appointment and reviewing and appraising the audit efforts of the Corporation's independent auditor and providing an open avenue of communication among the independent auditor, financial and senior management and the Board of Directors;
- serving as an independent and objective party to monitor the Corporation's financial reporting process and internal controls, the Corporation's processes to manage business and financial risk, and its compliance with legal, ethical and regulatory requirements;
- encouraging continuous improvement of, and fostering adherence to, the Corporation's policies, procedures and practices at all levels.

The Audit Committee will primarily fulfill these responsibilities by carrying out the activities enumerated in Section III of this Charter.

II. COMPOSITION AND MEETINGS

The Audit Committee shall be comprised of three or more directors as determined by the Board, the majority of whom shall be independent directors, and free from any relationship that, in the opinion of the Board, would interfere with the exercise of his or her independent judgment as a member of the Committee. All members of the Committee shall have a working familiarity with basic finance and accounting practices, and at least one member of the Committee shall have accounting or related financial management expertise. Committee members may enhance their familiarity with finance and accounting by participating in educational programs conducted by the Corporation or an outside consultant.

The members of the Committee shall be elected by the Board at the annual organizational meeting of the Board or until their successors shall be duly elected and qualified. Unless a Chair is elected by the full Board, the members of the Committee may designate a Chair by majority vote of the full Committee membership.

The Committee shall meet at least four times annually, or more frequently as circumstances require. The Committee shall meet within sixty (60) days following the end of the first three financial quarters to review and discuss the unaudited financial results for the preceding quarter and the related Management Discussion & Analysis and shall meet within 120 days following the end of the fiscal year end to review and discuss the audited financial results for the year and related Management Discussion & Analysis.

The Committee may ask members of management or others to attend meetings and provide pertinent information as necessary. For purposes of performing their audit related duties, members of the Committee shall have full access to all corporate information and shall be permitted to discuss such information and any other matters relating to the financial position of the Corporation with senior employees, officers and independent auditors of the Corporation.

As part of its job to foster open communication, the Committee should meet at least annually with management and the independent auditor in separate executive sessions to discuss any matters that the Committee or each of these groups believe should be discussed privately. In addition, the Committee or at least its Chair should meet with the independent auditor and management at least annually to review the Corporation's financial statements.

Quorum for the Sale of business at any meeting of the Audit Committee shall be a majority of the number of members

of the Committee or such greater number as the Audit Committee shall by resolution determine.

Meetings of the Audit Committee shall be held from time to time and at such place as the Audit Committee or the Chairman of the Committee shall determine upon 48 hours' notice to each of the members. The notice period may be waived by a quorum of the Committee. Each of the Chairman of the Committee, members of the Committee, Chairman of the Board, independent auditors, Chief Executive Officer, Chief Financial Officer or Secretary shall be entitled to request that the Chairman of the Audit Committee call a meeting which shall be held within 48 hours of receipt of such request.

III. RESPONSIBILITIES AND DUTIES

To fulfill its responsibilities and duties the Audit Committee shall:

1. Create an agenda for the ensuing year.
2. Review and update this Charter at least annually, as conditions dictate.
3. Describe briefly in the Corporation's annual report and more fully in the Corporation's Management Information Circular the Committee's composition and responsibilities and how they were discharged.
4. Submit the minutes of all meetings of the audit committee to the Board of Directors.

Documents/Reports Review

5. Review the organization's annual financial statements and any reports or other financial information submitted to any governmental body, or the public, including any certification, report, opinion, or review rendered by the independent auditor.
6. Review policies and procedures with respect to directors' and officers' expense accounts and management perquisites and benefits, including their use of corporate assets and expenditures related to executive travel and entertainment, and review the results of the procedures performed in these areas by the independent auditor, based on terms of reference agreed upon by the independent auditor and the Audit Committee.
7. Review with financial management and the independent auditor any filings with regulatory bodies such as securities commissions prior to filing or prior to the release of earnings. The Chair of the Committee may represent the entire Committee for purposes of this review.

Independent Auditor

8. Recommend to the Board of Directors the selection of the independent auditor, considering independence and effectiveness and approve the fees and other compensation to be paid to the independent auditor. Instruct the independent auditor that the Board of Directors, as the shareholders' representative is the independent auditor's client.
9. Monitor the relationship between management and the independent auditor including reviewing any management letters or other reports of the independent auditor and discussing any material differences of opinion between management and the independent auditor.
10. Review and discuss, on an annual basis, with the independent auditor all significant relationships they have with the Corporation to determine their independence.
11. Review and approve requests for any management consulting engagement to be performed by the independent auditor and be advised of any other study undertaken at the request of management that is beyond the scope of the audit engagement letter and related fees.

12. Review the performance of the independent auditor and approve any proposed discharge of the independent auditor when circumstances warrant. Consider with management and the independent auditor the rationale for employing accounting/auditing firms other than the principal independent auditor.
13. Periodically consult with the independent auditor out of the presence of management about significant risks or exposures, internal controls and other steps that management has taken to control such risks, and the fullness and accuracy of the organization's financial statements. Particular emphasis should be given to the adequacy of internal controls to expose any payments, transactions, or procedures that might be deemed illegal or otherwise improper.
14. Arrange for the independent auditor to be available to the Audit Committee and the full Board of Directors as needed.

Financial Reporting Processes

15. In consultation with the independent auditor review the integrity of the organization's financial reporting processes, both internal and external.
16. Consider the independent auditor's judgments about the quality and appropriateness, not just the acceptability, of the Corporation's accounting principles and financial disclosure practices, as applied in its financial reporting, particularly about the degree of aggressiveness or conservatism of its accounting principles and underlying estimates and whether those principles are common practices or are minority practices.
17. Consider and approve, if appropriate, major changes to the Corporation's accounting principles and practices as suggested by management with the concurrence of the independent auditor and ensure that the accountants' reasoning is described in determining the appropriateness of changes in accounting principles and disclosure.

Process Improvement

18. Establish regular and separate systems of reporting to the Audit Committee by each of management and the independent auditor regarding any significant judgments made in management's preparation of the financial statements and the view of each as to the appropriateness of such judgments.
19. Review the scope and plans of the independent auditor's audit and reviews prior to the audit and reviews being conducted. The Committee may authorize the independent auditor to perform supplemental reviews or audits as the Committee may deem desirable.
20. Following completion of the annual audit and quarterly reviews, review separately with each of management and the independent auditor any significant changes to planned procedures, any difficulties encountered during the course of the audit and reviews, including any restrictions on the scope of work or access to required information and the cooperation that the independent auditor received during the course of the audit and reviews.
21. Review any significant disagreements among management and the independent auditor in connection with the preparation of the financial statements.
22. Where there are significant unsettled issues the Committee shall ensure that there is an agreed course of action for the resolution of such matters.
23. Review with the independent auditor and management significant findings during the year and the extent to which changes or improvements in financial or accounting practices, as approved by the Audit Committee, have been implemented. This review should be conducted at an appropriate time subsequent to implementation of changes or improvements, as decided by the Committee.

24. Review activities, organizational structure, and qualifications of the chief financial officer and the staff in the financial reporting area and see to it that matters related to succession planning within the Corporation are raised for consideration at the full Board of Directors.

Ethical and Legal Compliance

25. Review and update periodically a Code of Ethical Conduct and ensure that management has established a system to enforce this Code. Review through appropriate actions taken to ensure compliance with the Code of Ethical Conduct and to review the results of confirmations and violations of such Code.
26. Review management's monitoring of the Corporation's system in place to ensure that the Corporation's financial statements, reports and other financial information disseminated to governmental organizations, and the public satisfy legal requirements.
27. Review, with the organization's counsel, legal and regulatory compliance matters, including corporate securities trading policies, and matters that could have a significant impact on the organization's financial statements.

Risk Management

28. Review management's program of risk assessment and steps taken to address significant risks or exposures, including insurance coverage.

General

29. Conduct or authorize investigations into any matters within the Committee's scope of responsibilities. The committee shall be empowered to retain independent counsel, accountants and other professionals to assist it in the conduct of any investigation.
30. Perform any other activities consistent with this Charter, the Corporation's By-laws and governing law, as the Committee or the Board deems necessary or appropriate.
31. Notwithstanding the foregoing and subject to applicable law, the Committee shall not be responsible to plan or conduct internal or external audits or to determine that the Corporation's financial statements are in accordance with generally accepted accounting principles as these are the responsibility of management and the independent auditor. Nothing contained in this Charter is intended to require the Committee to ensure the Corporation's compliance with applicable laws or regulations.

CERTIFICATE OF THE COMPANY

Dated: July 29, 2026

This Listing Statement contains full, true and plain disclosure of all material information relating to the GoldCoast Resource Corp. It contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to prevent a statement that is made from being false or misleading in light of the circumstances in which it was made.

"Michael Nikiforuk"

Michael Nikiforuk
Chief Executive Officer

"Winfield Ding"

Winfield Ding
Chief Financial Officer

ON BEHALF OF THE BOARD

"Tom Griffis"

Tom Griffis

"Sir Sam Jonah"

Sir Sam Jonah

CERTIFICATE OF THE TARGET

Dated: July 29, 2026

This Listing Statement contains full, true and plain disclosure of all material information relating to the GoldCoast Resource Corp. It contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to prevent a statement that is made from being false or misleading in light of the circumstances in which it was made.

"Michael Nikiforuk"

Michael Nikiforuk
Chief Executive Officer

"Winfield Ding"

Winfield Ding
Chief Financial Officer

ON BEHALF OF THE BOARD

"Tom Griffis"

Tom Griffis
Director

"Sir Sam Jonah"

Sir Sam Jonah
Director

CERTIFICATE OF THE PROMOTERS

Dated: July 29, 2026

This Listing Statement contains full, true and plain disclosure of all material information relating to GoldCoast Resource Corp. It contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to prevent a statement that is made from being false or misleading in light of the circumstances in which it was made.

"Tom Griffis"

Tom Griffis
Promoter

"Michael Nikiforuk"

Michael Nikiforuk
Promoter